

## The State of South Carolina



## Office of the Attorney General

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January 30, 1987

Mr. Purvis W. Collins  
Director, South Carolina Retirement System  
Post Office Box 11960  
Columbia, South Carolina 29211

Dear Mr. Collins:

You have requested an opinion as to whether the Budget & Control Board has the authority to divert the contributions for the Group Life Insurance Program to the Retiree Health Insurance Program for the period July 1, 1987 through June 30, 1988.

The two programs are unconnected except that both are managed by the Budget & Control Board through the Retirement System.

The Preretirement Death Benefit Program (Group Life Insurance Program) under § 9-1-1770 mandates payment of one year's salary to the beneficiary of certain deceased members. It is financed entirely through an employer contribution of .3% of payroll, as set by the Board pursuant to § 9-1-1210. This program apparently is sufficiently funded to permit the suspension of contributions for one year.

The Retiree Health Insurance Program is operated pursuant to § 8-11-81, as added in 1986. It is funded solely through general appropriations.

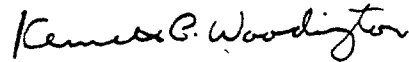
In an opinion dated January 24, 1984, this Office reaffirmed the well-established conclusion that appropriations may only be made by the legislature. An exception to this was recognized for transfers of appropriations between programs of a single agency. The Appropriations Act provides annually that the Board may authorize such transfers. However § 145(B) of this year's Act (Act No. 540 of 1986) provides that "[n]o such transfer may exceed twenty percent of the program budget." While the precise application of the term "program budget" is less than completely clear, it is our opinion that it was intended to refer to a

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program within an agency rather than the entire budget of the agency, which more likely would be denominated "agency budget."

Since the proposal would be to transfer all of the program budget for the Preretirement Death Benefit Program for a year, it is the opinion of this Office that such transfer would run afoul of the 20% limitation imposed by § 145(B) of Act 540. The only way to accomplish this transfer would be through a provision in the Appropriations Act for the forthcoming fiscal year.

Sincerely yours,



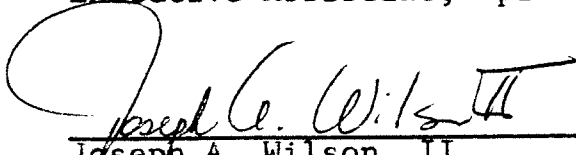
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APPROVED BY:



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