

1981 WL 157927 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

August 19, 1981

\*1 Purvis W. Collins  
Director  
South Carolina Retirement System  
Sol Blatt Building  
Second Floor  
Columbia, South Carolina 29201

Dear Mr. Collins:

In an opinion dated April 3, 1981, I concluded that the South Carolina Appalachian Regional Computer Commission was an integral part of each of the numerous governmental bodies which it serves. Upon review, I believe that that opinion is in error and that this one should be substituted for it.

The Commission was created by an agreement of at least twenty-three (23) governmental organizations pursuant to [§ 6-1-20, 1976 Code](#) of Laws. Its function is to provide computer services for each governmental body which by contract has agreed to use its services. However, it appears from the bylaws that the Commission may provide its services to non-profit organizations. I am informed that this is in fact done, and that at least one out-of-state entity uses the services of the Commission.

Under these circumstances it cannot be said that the Commission is in effect a substitute entity performing a function which would have been an integral city or county function. It does this, but as an independent contractor rather than a substitute for having the cities' or counties' own employees handling the computer work.

Nor can the Commission be considered a 'service organization' Section 9-1-10(4)(e) includes within its definition of 'employee,' the following definition:

(e) Any employee of any service organization, the membership of which is composed solely of persons eligible to be teachers or employees as defined by this section, if the compensation received by the employees of such service organizations shall be provided . . . from funds derived from public sources and if the employee contributions prescribed by this title shall be paid from the funds of the service organization;

Since the funds which maintain the Commission and which go for the compensation of the employees are not all 'funds derived from public sources.' this section does not apply.

For these reasons, it is the opinion of this Office that the South Carolina Appalachian Regional Computer Commission is not an 'employer' under [§ 9-1-10, 1976 Code](#) of Laws.

Sincerely yours,

Kenneth P. Woodington  
Assistant Attorney General

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