

1975 S.C. Op. Atty. Gen. 253 (S.C.A.G.), 1975 S.C. Op. Atty. Gen. No. 4207, 1975 WL 22504

Office of the Attorney General

State of South Carolina

Opinion No. 4207

December 2, 1975

*1 The State Workmen's Compensation Fund cannot pay benefits in excess of its appropriation without approval of the State Budget and Control Board.

TO: Mr. John W. Scott
Director
State Fund

Questions Presented:

Is the State Workmen's Compensation Fund an 'open fund' for payment of claims and awards to State employees, i.e., can the State pay benefits beyond the designated appropriation?

Authorities:

Section 72-451, Code of Laws of South Carolina, provides in part:

'Receipts for the credit of the fund and expenditures therefrom shall be handled in the manner provided by law governing all State funds.' (Emphasis my own.)

Section 98, 1975 Statutes at Large, Act No. 237, provides in part:

'All departments, institutions, and agencies of the State are hereby directed to budget and allocate the appropriation herein made to them, so as to provide for operation on uniform standards . . . , and in order to avoid a deficiency in such appropriations, . . . PROVIDE FURTHER, That the bonds of State officials violating the terms of this section shall be held liable thereof, unless the State Budget and Control Board has been advised of, and officially recognizes, the necessity for such deficit.' (Emphasis, my own.)

The appropriation for workmen's compensation coverage for State employees is found in Section 13, 1975 Statutes at Large, Act No. 237, which provides in part:

'Item VI. Employee Benefits:

State Employer Contributions . . .

Workmen's Compensation Insurance \$600,000.00'

Discussion:

The State Workmen's Compensation Fund receives a line-item appropriation through the State Budget and Control Board as the premium for coverage for State employees. Section 13, 1975 Statutes at Large, Act No. 237. This particular appropriation is to be treated the same as any other appropriational fund. Section 72-451, Code of Laws of South Carolina. The State Workmen's Compensation Fund, therefore, must notify and receive approval of the State Budget and Control Board before incurring any deficit. Section 98, 1975, Statutes at Large, Act No. 237.

Conclusion:

The State Workmen's Compensation Fund is not an 'open fund' so as to allow unlimited expenditures from the fund on receipt of claims or awards. The current statutes provide that the allocation for State employee coverage be handled similar to all other State funds, meaning that no deficit can be legally incurred without approval of the State Budget and Control Board.

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