

MINUTES OF
Budget and
Control Board
Meeting

October 21, 1980

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLEE MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

October 24, 1980

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Secretary *WAM*
SUBJECT: Summary of Budget and Control Board Actions at October
21, 1980 Meeting

At the referenced meeting, which followed an informal meeting with the Council of Presidents of the several state universities and colleges, the Budget and Control Board took the following actions:

1. Carried over to its next meeting consideration of a funding arrangement for a water line to serve the John de la Howe School and related matters;
2. Approved the foreign travel of Senator T. Ed Garrison in connection with the 1980 trade and investment mission to the Far East, estimated to cost \$4,050, to be paid from State funds;
3. Received as information and let the time expire on a grievance case involving the Department of Vocational Rehabilitation; and
4. Ratified the action taken in executive session.

WAM:dw

7646

MINUTES OF BUDGET AND CONTROL BOARD MEETING

OCTOBER 21, 1980 3:40 P. M.

The Budget and Control Board met at 3:40 p.m. on Tuesday, October 21, 1980 in Maxim's at the University of South Carolina Wade Hampton Dormitory with the following members in attendance:

Governor Richard W. Riley
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Representative Tom G. Mangum

Senator Rembert C. Dennis was absent.

Staff members attending included Executive Director William T. Putnam, Board Secretary William A. McInnis, Governor's Executive Assistants Katherine M. Clarke, Donald R. Hinson, Dwight Drake, and Terry Peterson; State Auditor Edgar A. Vaughn, Jr.; Senate Finance Committee staff member William Jordan; Ways and Means Committee staff member Robert Toomey; and Administrative Assistant Donna K. Williams.

MEETING WITH COUNCIL OF PRESIDENTS - The Board met for approximately two hours with the following representatives of the several state-supported universities and colleges: President Atchley, Clemson University, Chairman of the Council of Presidents; General Grimsley, The Citadel; President Collins, College of Charleston; President Smith, Francis Marion College; President Jackson, Lander College; President Nance, South Carolina State College; Provost Borkowski, University of South Carolina; President Vail, Winthrop College; and President Knisely, Medical University. During the informal discussion, the following subjects were considered: formula funding (its validity, use in

2 - 10/21/80

the absence of full funding, its use in times of austerity); basic statistics for higher education (who should generate, their accuracy, their use); institution bonds (philosophy as to their use, impact of funding comparisons which ignore fees pledged to retire bonds); research programs; indirect costs; the Board's recommended seven percent reduction in personal services expenditure in 1981-82; and the processing of grant applications through the Finance Division's Grants and Contracts Review Unit.

Chairman Atchley urged that the Board explore the possibility of meeting with the Council of Presidents on a regular basis in the interest of improving communications.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

[Secretary's Note: Following this informal meeting with the Council of Presidents, the Board convened for a brief regular business meeting during which the following matters were considered.]

JOHN DE LA HOWE SCHOOL - WATER LINE FUNDING AND RELATED MATTERS -

Executive Director Putnam advised the Board that, as a follow-up to its action on October 14 which approved generally the concept of funding temporarily from rural improvement funds the connection of the John de la Howe School water system to the lines of the McCormick Water and Sewer Authority, two meetings involving all of the principals involved in the matter had been held and that agreement had been reached on the procedure. Mr. Putnam indicated that the approach proposed calls for the granting of a loan of \$250,000 to the McCormick Water and Sewer Authority by the Division of Local Government

7648

from funds appropriated for rural improvements. He further stated that that loan would be secured by an agreement between the John de la Howe School and the McCormick Water and Sewer Authority under which the School would agree to reimburse the Authority for the cost of the connection using Capital Improvement Bond funds authorized in Act 518 of 1980 when and if released and, further, the Authority, in turn, would agree to repay the Division of Local Government loan from these funds. Mr. Putnam also noted that this agreement would be subject to review by the Joint Bond Review Committee.

In the ensuing discussion, Mr. Patterson expressed concern about this action being considered a precedent and Mr. Putnam agreed that no loan should be made to a State agency which is the reason a loan to the Authority is being suggested. Representative Mangum expressed the view that funds appropriated for rural improvements were put in for particular purposes and he questioned if the Board has the authority to loan these funds. Mr. Putnam advised that the Attorney General's Office had indicated that a loan from those funds would be proper. Governor Riley noted that Representative McAbee had indicated that only a few homes were adjacent to the route of this proposed line and he expressed a desire that a letter be obtained from the County expressing its agreement to repay to the State any tap-on fee revenues above the County's costs.

Representative Mangum suggested that the State Treasurer might loan the \$250,000 to finance the project temporarily but Mr. Patterson expressed the view that he could not do so.

Following a discussion of this matter, upon a motion by Representative

4 - 10/21/80

Mangum, the Board agreed to carry its consideration of the request and the related matters over to the meeting scheduled for November 5.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

DEPARTMENT OF AGRICULTURE - STATE-FUNDED FOREIGN TRAVEL - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the travel of Senator T. Ed Garrison to Hong Kong; Singapore; Kuala Lumpur, Malaysia; and Taipei, Taiwan during the November 8 - 23, 1980 period for the purpose of participating in the 1980 trade and investment mission to the Far East. The Board was advised that the total estimated cost of this travel is \$4,050 which is to be paid from State-appropriated funds.

Information relating to this matter has been retained in these files and is identified as Exhibit 2-A.

FUTURE MEETING - Board members agreed to hold the next regular meeting at Crafts-Farrow State Hospital on Wednesday, November 5, 1980. The meeting is scheduled to begin at 10:00 a.m. and is to be concluded at approximately 12:15 p. m. after which lunch is to be served.

EXECUTIVE SESSION - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board agreed to consider one grievance matter whereupon Governor Riley declared the meeting to be in executive session.

RATIFICATION OF EXECUTIVE SESSION ACTION - Following the Board's consideration of the executive session item, the meeting was opened and, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board ratified the following action taken in executive session:

7650

5 - 10/21/80

(1) Received as information and agreed to let the time expire on the State Employee Grievance Committee findings and decision in a case involving the Department of Vocational Rehabilitation.

The meeting was adjourned at 6:12 p.m.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the Office of the Governor's Press Secretary in the State House and near the Board Secretary's office in the Wade Hampton Office Building on October 16, 1980.]

7651

EXHIBIT

OCT 21 1980 NO. 1

STATE BUDGET & CONTROL BOARD

AGENDA
for discussion by
Council of Presidents
and
Members of the State Budget & Control Board
October 21, 1980

1. Welcome and Introductory Remarks...Dr. Bill L. Atchley, Chairman, Council of Pres.
2. Introductory RemarksGovernor Richard W. Riley
3. Discussion Items
 - a. Formula Funding
 - (1) Is formula funding the best method?
 - (2) In the absence of full formula funding, should a formula continue to be used?
 - (3) In times of total austerity should formula funding continue?
 - (4) Other aspects.
 - b. Basic statistics for Higher Education
 - (1) Who should generate them?
 - (2) How accurate are they?
 - (3) How should they be used?
 - (4) Other aspects.
 - c. Institution Bonds
 - (1) Philosophy as to their use.
 - (2) Impact of overall funding comparisons which ignore the large amounts of student fees pledged to retire bonds.
 - d. Higher Education as a Functional or Program Area in the State's Budgeting, Management, etc.
 - (1) How can objective goals, reasons for existence, priorities, etc. be established?
 - (2) What should be grouped with colleges and universities in the term "higher education"? (Tuition grants program, technical education, medical schools?)
 - (3) Other
 - e. Impact on Higher Education of Salary "ceilings" or "limitations."
4. Adjournment

7652

EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION: AGENDA

MEETING OF October 21, 1980

OCT 21 1980

NO. **2**

ITEM NUMBER

1

STATE BUDGET & CONTROL BOARD

Agency: John de la Howe School

Subject: Water Line Funding and Related Matters

(a) As a follow-up to the Board action taken at the October 14 meeting, general agreement has been reached on the steps necessary to enable the John de la Howe School to proceed with the project to connect the School to the water lines of the McCormick Water and Sewer Authority. This approach calls for the granting of a loan of \$250,000 to the McCormick Water and Sewer Authority by the Division of Local Government from funds appropriated for rural improvements. That loan would be secured by an agreement between the John de la Howe School and the McCormick Water and Sewer Authority under which the School would agree to reimburse the Authority for the cost of the water line connection using Capital Improvement Bond funds authorized in Act 518 of 1980 when and if released and the Authority, in turn, would agree to repay the Division of Local Government Loan from such funds. This agreement would be subject to review by the Joint Bond Review Committee.

Staff also investigated the feasibility of recouping the State's investment in the water line and were advised that only six or seven homes are contiguous to the route of the line and that the remainder is in the ownership of the federal government.

(b) The John de la Howe School will have to grant an easement to McCormick County for the purpose of maintaining and improvement the water line or lines and appurtenances. The easement is ten feet in width and contains a total of twenty-six hundredths of an acre, more or less.

(c) The School will have to convey title to the County for a site for a master meter. This site, which contains eight one-thousandths of an acre, more or less (or about 348 square feet), is bounded on the north, east and south by other lands of the School and on the west by the right-of-way of South Carolina Highway 81.

Board Action Requested:

(a) Approve arrangement under which a loan of \$250,000 will be made by the Division of Local Government to the McCormick County Water and Sewer Authority on the understanding that John de la Howe School will provide the 1980 bond funds, when and if released, to the Authority so that the loan may be repaid, subject to review by the Joint Bond Review Committee;

(b) Approve granting of an easement for the referenced water line; and

(c) Approve the conveyance of eight one-thousandths of an acre, more or less, to McCormick County for a master meter site.

Attachments:

Sturkey October 6 letter to Shiflett and attachments

7653

EXHIBIT

STURKEY & JONES

ATTORNEYS AT LAW

MCCORMICK, SOUTH CAROLINA 29835

(803) 405-2510

OCT 21 1980 NO. 2

STATE BUDGET & CONTROL BOARD

P. O. DRAWER E

O. LEE STURKEY
J. RICHARD JONES

October 6, 1980

Mr. John C. Shiflet, Superintendent
John de la Howe School
Rt. 1
McCormick, South Carolina 29835

Dear John,

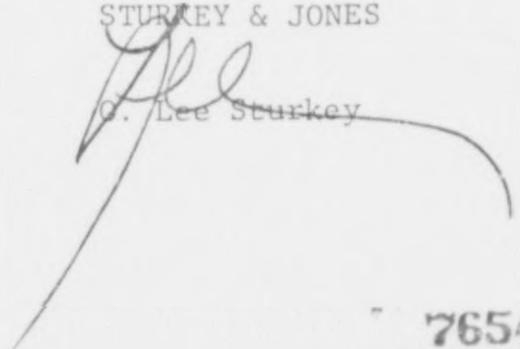
I am pleased to enclose herewith the Easement for the right of way from the master meter site to the existing water system and also the Deed to the very small lot up by the road which will be used for the master meter site itself. We must hold title to the master meter site in fee, whereas we only need an easement to the pipeline extending from the meter to your existing lines.

Constant with our agreement last Thursday, it would be my recommendation that you obtain the signatures of as many of the Trustees to the Easement and Deed as possible. We will of course need to obtain their signatures before the deed and easement will be valid. After the State has approved the funding vehicle, then and in that event, you can deliver the easement and deed to me for recordation. They do not become effective until that time. I would also suggest that you leave the instrument undated until then.

With kindest regards, I am

Yours very truly,

STURKEY & JONES


O. Lee Sturkey

OLS:sm
Enclosures

RECEIVED
OCT 7 1980
JOHN DE LA HOWE

7654

EXHIBIT

OCT 21 1980 NO. 2

STATE BUDGET & CONTROL BOARD

State of South Carolina *
County of McCormick *
* EASEMENT GRANT

KNOW ALL MEN BY THESE PRESENTS, That we, John A. McAllister, Jack R. Callison, James P. Sloan, Reverend L. G. Corder, Hugh Z. Graham, Thomas E. Kerns, Hugh W. McClure, III, Miss Ann C. Gilbert, and Mrs. J. D. Mars, as Trustees of John de la Howe School, in the State aforesaid, for and in consideration of the sum of one and 00/100 (\$1.00) dollar in hand paid by the County of McCormick, South Carolina, the receipt and sufficiency of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents, do grant, bargain, sell and release unto the said County of McCormick, South Carolina, its successors and assigns, a perpetual easement, as hereinbelow described, with the right to construct, maintain, and operate thereon one or more water lines, consisting of pipes, conduits, meters, hydrants, and pumps, and further the right to clear and keep clear the said easement of brush, shrubbery, and trees, and the rith to remove and dispose of brush, shrubbery, trees, and soil, with full rights of ingress and egress thereon for the purpose of maintaining and improving said water line or lines and appurtenances across lands of grantor situated in the County of McCormick, State of South Carolina, and being more particularly described as follows:

ALL and singular that certain piece, parcel, or strip of land situate, lying, and being in Bordeaux Township, County of McCormick, State of South Carolina, containing twenty-six hundredths (0.26) of an acre, more or less, commencing at the northern edge of the meter site this day conveyed from the Trustees of John de la Howe School to McCormick County, South Carolina, and running thence along the various courses and distances as shown on the plat hereinafter described to the filter plant at John de la Howe School, being ten (10) feet in width, and being bounded on all sides by lands of John de la Howe School, except on the side where this strip joins the meter site this day conveyed to McCormick County, South Carolina. For a more particular description of said strip, reference is made to a plat prepared by Heaner Engineering Company, Inc., dated September 24, 1980, a copy of which is recorded in the office of the Clerk of Court for McCormick County, South Carolina, in Plat Book __, at page __. This is a small portion of the lands of which the late Dr. John de la Howe was seized and possessed, and pursuant to the terms and provisions of this Last Will and Testament, dated January 2, 1797, which said will is filed, probated, and recorded in the office of the Judge of Probate for Abbeville County, South Carolina (since the filing and probate of the said will, McCormick County, South Carolina having been cut off from that portion of Abbeville County in which the said lands are situate) was devised to John de la Howe School for the uses and purposes

7655

therein mentioned.

TOGETHER with the right from time to time to redesign, rebuild, or alter said water lines, and to install such additional lines, apparatus and equipment as the County of McCormick, its successors and assigns, may at any time deem necessary, and the right to remove any line, any part thereof, or any appurtenances thereto.

PROVIDED, HOWEVER, that any damage to the property of the grantor (other than to property cleared or removed as hereinbefore specifically provided) caused by the County of McCormick, its successors and assigns, in the course of constructing, rebuilding, or repairing said lines shall be borne by the County of McCormick, South Carolina.

RESERVING, nonetheless, unto the grantor the right to cultivate and use the surface of the land within the said right of way provided that such use shall not interfere with or obstruct with the rights herein granted and provided further that no building or other structure shall be erected by the grantor, its successors and assigns, within the said right of way.

The word "grantor" shall include successors, executors, administrators, and assigns, as the case may be, and shall mean the owner of the property, whether singular or plural.

TO HAVE AND TO HOLD all and singular the easement before mentioned unto the said County of McCormick, its successors and assigns, forever. And we, the Trustees of John de la Howe School, do hereby bind ourselves and our successors, executors, and administrators to warrant and forever defend all and singular the said premises unto the said County of McCormick, South Carolina, its successors and assigns forever against us and our successors and every other person or persons whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS our hands and seals, this the ____ day of October, in the year of our Lord one thousand nine hundred eighty and in the two hundred and fifth year of the Sovereignty and Independence of the United States of America.

TRUSTEES, JOHN DE LA HOWE SCHOOL

John A. McAllister
John A. McAllister

EXHIBIT

OCT 21 1980 NO. 2

STATE BUDGET & CONTROL BOARD

Jack R. Callison
Jack R. Callison

James P. Sloan
James P. Sloan

L. G. Corder
Reverend L. G. Corder

Hugh Z. Graham
Hugh Z. Graham

Thomas E. Kerns
Thomas E. Kerns

Hugh W. McClure, III
Hugh W. McClure, III

Miss Ann C. Gilbert
Miss Ann C. Gilbert GIBERT

Mrs. J. D. Mars
Mrs. J. D. Mars

State of South Carolina *
County of McCormick * PROBATE

PERSONALLY appeared before me the undersigned witness, and made oath that (s)he saw the within named John A. McAllister, Jack R. Callison, James P. Sloan, Reverend L. G. Corder, Hugh Z. Graham, Thomas E. Kerns, Hugh W. McClure, III, Miss Ann C. Gilbert, and Mrs. J. D. Mars, as Trustees of John de la Howe School, sign, seal and, as their act and deed, deliver the within written Easement Grant, and that (s)he with the other witness witnessed the execution thereof.

SWORN to before me this
____ day of October, 1980.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____.

EXHIBIT

OCT 21 1980 NO. 2

STATE BUDGET & CONTROL BOARD

THE STATE OF SOUTH CAROLINA *
COUNTY OF McCORMICK * TITLE TO REAL ESTATE TO A CORPORATION *

KNOW ALL MEN BY THESE PRESENTS, THAT we, John A. McAllister, Jack R. Callison, James P. Sloan, Reverend L. G. Corder, Hugh Z. Graham, Thomas E. Kerns, Hugh W. McClure, III, Miss Ann C. Gilbert, and Mrs. J. D. Mars, as Trustees of John de la Howe School, in the State aforesaid for and in consideration of the sum of ten and 00/100 (\$10.00) dollars, and other good and valuable considerations to us in hand paid at and before the sealing and delivery of these Presents, by the County of McCormick, South Carolina in the State aforesaid (the receipt whereof is hereby acknowledged), have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said County of McCormick, South Carolina, its successors and assigns forever, the following described real property, to wit:

ALL and singular that certain piece, parcel, or lot of land, situate, lying, and being in Bordeaux Township, County of McCormick, State of South Carolina, containing eight one-thousandths (0.008) of an acre, more or less, and being BOUNDED: on the North, East, and South by other lands of John de la Howe School; and on the West by the eastern edge of the right of way of South Carolina Highway No. 81. Said lot commences at a point at the southwestern corner, common to this lot, lands of John de la Howe School and the right of way of South Carolina Highway No. 81, designated as the point of beginning. The point of the beginning bears North 7° 41' East for 37.50 feet to a point in the centerline of South Carolina Highway No. 81, thence turning and running southwesterly and westerly along the centerline of South Carolina Highway No. 81 for 3432 feet to the intersection of South Carolina Highway No. 81 and South Carolina Road No. S-33-7. From the point of beginning, this lot runs thence South 7° 41' East for 12 feet to a point; thence turning and running North 18° 19' East for 29.52 feet to a point; thence turning and running North 70° 41' West for 12 feet to a point; thence turning and running South 18° 19' West for 39.52 feet to the point of the beginning. This is a small portion of the lands of which the late Dr. John de la Howe was seized and possessed, and pursuant to the terms and provisions of his Last Will and Testament, dated January 2, 1797, which said Will is filed, probated, and recorded in the office of the Judge of Probate for Abbeville County, South Carolina (since the filing and probate of said will, McCormick County, South Carolina having been cut off from that portion of Abbeville County in which the said lands are situate) was devised to John de la Howe School for the uses and purposes therein mentioned.

The South Carolina Budget & Control Board confirms this conveyance as hereinafter provided.

7657

TOGETHER with all and singular the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned, unto the said County of McCormick, South Carolina, its successors and assigns forever.

And we do hereby bind ourselves and our Successors, Executors and Administrators, to warrant and forever defend all and singular the said premises unto the said County of McCormick, South Carolina, its successors and assigns against us and our Successors, and any person or persons lawfully claiming, or to claim the same or any part thereof.

WITNESS our Hands and Seals, this ____ day of October, in the year of our Lord one thousand nine hundred and eighty and in the two hundred and fifth year of the Sovereignty and Independence of the United States of America.

TRUSTEES, JOHN DE LA HOWE SCHOOL

John A McAllister
JOHN A. McALLISTER

Jack R. Callison
JACK R. CALLISON

James P. Sloan
JAMES P. SLOAN

L. G. Corder
REVEREND L. G. CORDER

Hugh Z. Graham
HUGH Z. GRAHAM

Thomas E. Kerns
THOMAS E. KERNS

Hugh W. McClure, III
HUGH W. McCLURE, III

(Miss) Anne C. Gibert
MISS ANNE C. GIBERT Gibert

Mrs J. D. Mars
MRS. J. D. MARS

EXHIBIT

OCT 21 1980 NO. 2

STATE BUDGET & CONTROL BOARD

THE STATE OF SOUTH CAROLINA

McCormick County

PERSONALLY appeared before me, the undersigned witness, and made oath that (s)he saw the within-named John A. McAllister, Jack R. Callison, James P. Sloan, Reverend L. G. Corder, Hugh Z. Graham, Thomas E. Kerns, Hugh W. McClure, III, Miss Ann C. Gilbert, and Mrs. J. D. Mars, as Trustees of John de la Howe School, sign, seal and, as their act and deed, deliver the within written Deed, and that (s)he with the other witness, witnessed the execution thereof.

SWORN to before me this
_____ day of October, 1980.

(L.S.)
Notary Public for South Carolina
My Commission Expires: _____.

7659

THIS CONVEYANCE IS CONFIRMED AND RATIFIED PURSUANT TO
RESOLUTION OF THE SOUTH CAROLINA BUDGET & CONTROL AT COLUMBIA,
SOUTH CAROLINA, THIS THE ____ DAY OF OCTOBER, 1980.

SOUTH CAROLINA BUDGET &
CONTROL BOARD

By: _____

THE STATE OF SOUTH CAROLINA

Richland County

PERSONALLY appeared before me, the undersigned witness,
and made oath that (s)he saw the within-named South Carolina
Budget & Control Board by _____, its _____
_____, sign, seal and, as its act and deed, deliver
the within written _____, and that (s)he with the
other witness witnessed the execution thereof.

SWORN to before me this
_____ day of October, 1980.

(L.S.)
Notary Public for South Carolina

My Commission Expires: _____.

7660



Bryan Patrick - Commissioner

S.C.
DEPARTMENT OF
Agriculture

October 16, 1980

OCT 16 1980

Wade Hampton Office Building
P. O. Box 11280
Columbia, S. C. 29211

Telephone: (803) 758-2426

EXHIBIT

OCT 21 1980 NO. **2-A**

STATE BUDGET & CONTROL BOARD

Mr. William T. Putnam, Executive Director
Budget and Control Board
State of South Carolina
Room 205, Wade Hampton Office Building
Columbia, South Carolina

Dear Mr. Putnam:

Request is hereby filed that Senator T. Ed Garrison be permitted to travel to Hong Kong, Singapore, Kuala Lumpur, Malaysia; Taipei, Taiwan November 8 through November 23, 1980.

His main objective will be to evaluate the opportunities and potential markets for South Carolina agriculture products and services, in conjunction with the S. C. Development Board.

Total travel cost is estimated at \$ 4,050.00 which will include airfare, hotels and other expenses to be paid by the S. C. Department of Agriculture.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Bryan Patrick
Commissioner of Agriculture

BP/bdc

7661