

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

September 16, 1986

02972

State of South Carolina
State Budget and Control Board

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



Box 12444
Columbia
29211

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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

September 17, 1986

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Deputy Executive Director *WAM*
SUBJECT: Summary of Board Actions at September 16, 1986, Meeting

This listing of actions is not the minutes of the referenced meeting. It is an unofficial (meaning it has not been approved by the Board) summary of the Board actions taken at that meeting. The minutes of the meeting are presented in a separate, much more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Heard a panel discussion on natural resources issues and 1987-88 budget requests by PRT, Wildlife, Water Resources and the Forestry Commission;
2. Authorized Governor Riley, on behalf of the Board, to put State agencies and institutions on notice that the probability is high that revenue collections for fiscal year 1986-87 will be less than the amount appropriated and asked agencies and institutions, until more definitive information on the revenue situation is available, to not fill non-essential personnel positions and to restrict expenditures to those for essential purposes only;
3. Asked the Executive Compensation and Performance Evaluation Commission to consider the uncertain revenue situation in its deliberations on agency head salary adjustments and, on that basis, to proceed to act prior to October 1 on the 3% adjustment provided on a line-item basis and to defer action on any other agency head salary adjustments until more definitive information on the revenue situation is available;
4. Agreed to consider basic budget allocations for 1987-88 only at its meeting scheduled for September 23 in light of the uncertain revenue situation and deferred its consideration of programmatic aspects of the 1987-88 budget recommendations until more definitive information on the revenue situation is available; and
5. Heard a panel discussion on higher education issues and 1987-88 budget requests by CHE and the Higher Education Tuition Grants agency.

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02973

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

SEPTEMBER 16, 1986

8:55 A. M.

The Budget and Control Board met at 8:55 a.m. on Tuesday, September 16, 1986, in Room 148-149, Dennis Office Building, with the following members in attendance:

Governor Richard W. Riley, Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Senator Rembert C. Dennis, Chairman, Senate Finance Committee;
Representative Tom G. Mangum, Chairman, House Ways and Means Committee.

Mr. Earle E. Morris, Jr., Comptroller General, was absent. He was represented by Senior Assistant Comptroller General George Lusk.

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
E. A. Laurent, Ph.D	Deputy Executive Director
Katherine M. Hepfer	Governor's Executive Assistant
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

1987-88 Budget Process: Natural Resources Functional Area - Panel 1

The Board heard a panel discussion on natural resources issues. Panelists included DHEC Deputy Commissioner Lewis Shaw, PRT Executive Director Fred Brinkman, Wildlife and Marine Resources Department Executive Director James Timmerman, Water Resources Commission Executive Director Alfred Vang and Coastal Council Executive Director H. Wayne Beam. Panel moderator was Patricia L. Jerman of the Governor's Office Division of Energy and Environment.

The Natural Resources Panel addressed the following issues:

- (1) nuclear, hazardous and solid waste disposal;
- (2) litter prevention and control;
- (3) protection of parks and recreation resources;
- (4) habitat protection;
- (5) the 1986 drought; and
- (6) coastal zone management.

Agency Budget Requests

The Board then heard requests by the following agencies:

Parks, Recreation and Tourism Department
Wildlife and Marine Resources Department
Water Resources Commission
Forestry Commission

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Regular Session -- September 16, 1986 -- Page 2

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

Economic Situation and Possible Revenue Implications

The Board continued its meeting by considering a single item of regular business. Dr. Coles pointed out that the required notice for this regular session meeting had been given.

Dr. Coles stated that one item only is proposed for consideration. He called the Board's attention to the September 15 memorandum from Board of Economic Advisors Chairman James Morris included in the agenda materials. Dr. Coles noted, in particular, Dr. Morris' statement that "...it is becoming clear that softness in the economy is tending to be reflected in revenue collections." Dr. Morris' memorandum also indicated that "...it is intended to provide advance notice that it is likely that revenues for this year will not perform at the rate required to make the existing estimate in the Appropriations Act."

Dr. Coles also observed that Board members are aware of recent newspaper accounts of the comments on the revenue situation by several individuals and he said that he concurs with those views in general. Dr. Coles expressed the view that it is clear we will experience this year revenue collections which are less than the amount appropriated and that the amount of the shortfall likely would exceed the amount in the Capital Expenditure Fund.

Dr. Coles recommended that the Board consider placing State agencies and institutions on notice that the likelihood is that the State will not meet its revenue expectations this year. He also suggested that the agencies and institutions be urged to defer all nonessential expenditures pending the availability of more definitive revenue information. He pointed out that he had met with staff of the Attorney General's Office on the law relating to this situation and he referred in particular to Part I, Sections 135 and 144. He observed that, in both, the rate of expenditure is dealt with rather than with budget cuts as such. He then advised the Board that he has three recommendations to offer.

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Regular Session -- September 16, 1986 -- Page 3

Mr. Patterson called attention to another provision (in Section 144) which declares appropriations to be maximum, conditional and proportionate. Mr. Mangum was advised by Dr. Coles that the Board previously had discussed the revenue situation but that the agencies had not been notified of any action.

Dr. Coles stated that the Board now has inadequate information on revenue to make decisions on the 1987-88 budget. He noted that an official estimate is due November 1 and that the Board can make decisions on that schedule. He suggested again that the agencies be put on notice about the situation, after noting that most agency heads anticipate an action of this sort. He said that units of the Budget and Control Board have been put on notice that 2% to 4% of their State funds may be held back.

Dr. Coles then recommended that the Board authorize Governor Riley, on behalf of the Board, to put the agencies on notice about the revenue situation.

Senator Dennis urged that an appropriate statement be included saying that the Board would do everything it possibly could to avoid having to make a mid-year budget cut. He deplored those who think they have sufficient data now to decide about the revenue situation, noting that no official estimate of the situation exists until made by the Board of Economic Advisors. He again urged that the Board do everything it can to avert having to make a mid-year reduction.

Governor Riley expressed agreement with Senator Dennis' sentiment but he expressed the view that, realistically, the numbers are such that it looks like some sort of reduction will be necessary. He agreed that the Board should do all it can to avoid a mid-year reduction because of the severe problems that creates. Senator Dennis observed that the situation looks bad but that it is premature to reach a conclusion. Mr. Patterson noted that the other side is that any reduction should be applied as early as possible because then it is easier to deal with. Senator Dennis pointed out the possibility of the Board acting at the end of the calendar year and upsetting the General Assembly. He urged that the Board's decision on this subject be concurred in by the financial leaders of the General Assembly.

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Regular Session — September 16, 1986 — Page 4

Dr. Coles observed that the agencies need as much information as the Board has and that they need it now because the effective rate of a reduction is higher if done later. He said that the Board of Economic Advisors will provide figures as soon as possible after October 1 with the official estimate to be provided November 1 with an official revision by December 31.

Senator Dennis suggested that the Board consider as the official estimate for the up-coming budget year the Board of Economic Advisors estimate it adopts after November 1. He urged that the legislature take the same position and not accept any changes to the forecast.

Mr. Mangum expressed his agreement with Senator Dennis' statement and his willingness to abide by the November 1 estimate but he said that he is not sure he can hold the Ways and Means Committee to that view. He stated a preference for not appropriating any more in a subsequent year than was collected in the prior year. Mr. Mangum also suggested that the agencies (except Corrections and Mental Health) be urged not to add new employees now.

Governor Riley then asked Dr. Coles to present all of his recommendations in addition to putting the agencies on notice and admonishing them not to fill non-essential positions.

Dr. Coles noted that the Executive Salary and Performance Evaluation Commission is meeting tomorrow and that it is doing so at a time when less than complete information on the revenue situation is available to them. He reported that that Commission is to consider the 3% salary adjustment for agency heads which is to be effective October 1 and he saw no problem with their proceeding with that adjustment in that the funds involved are on the line. He said the Commission also will be looking at two years of performance evaluations; at the Hay proposals for revising agency head pay ranges; and at the assignment of points to the various positions. He expressed the hope that the Board would ask that Commission to consider the same economic information as the Board has. He suggested that the Commission be asked to proceed on the 3% adjustment but that it consider any other adjustments in light of the economic situation now confronting the State. Dr. Coles said that he is trying not to tread on the statutory authority of that Commission in making his suggestion but he expressed the view that the Commission does not now have the budgetary data needed to make informed decisions on agency head salaries.

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Senator Dennis suggested that, as a guideline to the Commission, the Board set last year's salary level plus 3% until further notice. Mr. Mangum expressed agreement with Senator Dennis, saying that increases beyond that level can't be afforded and that, if they are above it, the Board can't approve them. Dr. Coles noted that any funds for agency head pay other than the 3% on the line would have to come from other parts of the budget and that transfers for that purpose would be subject to Board approval. He said that he would be glad to communicate this view to the Executive Salary Commission.

Dr. Coles then said his third recommendation is a procedural matter. He noted that the 1987-88 budget preparation schedule calls for allocations to be made on September 23. He observed that, under the uncertain revenue situation, the Budget Division would at that time be able to bring only the basic budget allocation recommendations to the Board for consideration.

Upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board agreed to consider basic budget allocations for 1987-88 only at its meeting scheduled for September 23 in light of the uncertain revenue situation and deferred its consideration of programmatic aspects of the 1987-88 budget recommendations until more definitive information on the revenue situation is available.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board asked the Executive Compensation and Performance Evaluation Commission to consider the uncertain revenue situation in its deliberations on agency head salary adjustments and, on that basis, to proceed to act prior to October 1 on the 3% adjustment provided on a line-item basis and to defer action on any other agency head salary adjustments until more definitive information on the revenue situation is available.

Upon a motion by Mr. Mangum, seconded by Mr. Patterson, the Board authorized Governor Riley, on behalf of the Board, to put State agencies and institutions on notice that the probability is high that revenue collections for fiscal year 1986-87 will be less than the amount appropriated and asked agencies and institutions, until more definitive information on the revenue situation is available, not to fill non-essential personnel positions and to restrict expenditures to those for essential purposes only.

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Regular Session -- September 16, 1986 -- Page 6

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

Adjournment of Regular Business Portion of Meeting

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the regular business portion of the meeting was adjourned at 1:05 p.m.

1987-88 Budget Process: Higher Education Functional Area - Panel 4

The meeting was reconvened at approximately 2 p.m. when a panel discussion on issues in higher education was heard. Panelists included were Commission on Higher Education (CHE) Chairman Nelle Taylor; Research Authority Chairman Claude M. Scarborough, Jr.; Partner Gordon Vandewater, AVA Associates, Inc., consultants; and Francis Marion College President Thomas C. Stanton, Chairman of the Council of Presidents. Dr. Terry Peterson, Governor's Office staff, was moderator and the Budget Division was represented by analyst Kaye Sanders.

The panel addressed the following issues:

- (1) Improvements needed to be competitive in the world economy;
- (2) Strengths and weaknesses of SC colleges and universities;
- (3) Research in higher education from a business perspective;
- (4) National groups recommendations to improve higher education; and
- (5) CHE recommendations to improve SC colleges and universities.

Agency Budget Requests

The Board then heard requests by the following agencies:

Commission on Higher Education
Higher Education Tuition Grants

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

[Secretary's Note: In compliance with Code §30-4-80, public notice of this meeting was given to news media representatives on numerous occasions during June, July and August as a part of the future meeting item included in the agenda of regular Board meetings. The agenda for the regular business portion of this meeting was posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 10:15 a.m. on Monday, September 15, 1986.]

State of South Carolina
State Budget and Control Board

PRESS

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EXECUTIVE DIRECTOR

EXHIBIT

FY 1987 - 88 BUDGET HEARINGS

SEP 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

Tuesday, September 16

8:55 - 10:15 a.m.

Panel 3: NATURAL RESOURCES

Panel Members:

R. Lewis Shaw, P.E., Deputy Commissioner
Environmental Quality Control
South Carolina Department of Health and Environmental Control

Fred P. Brinkman, Executive Director
South Carolina Department of Parks, Recreation and Tourism

Dr. James A. Timmerman, Jr., Executive Director
South Carolina Department of Wildlife and Marine Resources

Alfred H. Vang, Executive Director
South Carolina Water Resources Commission

Dr. H. Wayne Beam, Executive Director
South Carolina Coastal Council

MODERATOR: Patricia L. Jerman, Director
Governor's Division of Energy and Environment

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EXHIBIT

NATURAL RESOURCES PANEL

SEP 16 1986

NO. 1

STATE BUDGET & CONTROL BOARD

WASTE DISPOSAL

Nuclear, Hazardous and Solid - R. Lewis Shaw

- ° All result in similar economic, public health and social problems
- ° No long range plan for hazardous/solid
- ° Need to develop alternatives

Litter - Fred P. Brinkman

- ° Economic as well as aesthetic problem
- ° Governor's Task Force uses private sector resources to fund state program
- ° Anti-litter campaign will involve all sectors

PROTECTION OF SPECIAL RESOURCES

Parks and Recreation - Fred P. Brinkman

- ° Parks are vital natural and cultural resources
- ° Need to provide outdoor recreation for residents and visitors
- ° "PARD" - new funding sources for recreation

Habitat Protection - James A. Timmerman

- ° Problems associated with loss of habitat
- ° Need to acquire and manage lands for current and future residents/visitors

Drought '86 - Alfred H. Vang

- ° 1985 Drought Response Act - a success
- ° Coordinated response by public and private sector to recent drought
- ° Infrastructure needs

Coastal Zone Management

- ° Coastal growth will continue (population of 1.1 million by year 2000)
- ° We must pay for proper planning now or pay for remedial measures later

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EXHIBIT

PRESENTERS FOR AGENCIES APPEARING

SEP 16 1986

NO. 1

TUESDAY, SEPTEMBER 16, 1986

STATE BUDGET & CONTROL BOARD

DEPARTMENT OF PARKS, RECREATION & TOURISM

CHARLES A. BUNDY, CHAIRMAN PRT COMMISSION
FRED P. BRINKMAN, EXECUTIVE DIRECTOR

DEPARTMENT OF WILDLIFE & MARINE RESOURCES

WILLIAM WEBSTER, COMMISSION CHAIRMAN
DR. JAMES A. TIMMERMAN, JR. EXECUTIVE DIRECTOR
JOHN B. REEVES, DIRECTOR OF ADMINISTRATIVE SERVICES

WATER RESOURCES COMMISSION

ALFRED H. VANG, EXECUTIVE DIRECTOR
HANK W. STALLWORTH, ASSISTANT EXECUTIVE DIRECTOR

SOUTH CAROLINA FORESTRY COMMISSION

BARTOW S. SHAW, JR., COMMISSIONER
LEONARD A. KILIAN, JR., STATE FORESTER

COMMISSION ON HIGHER EDUCATION

CHARLIE BROOKS

HIGHER EDUCATION TUITION GRANTS

EDWARD M. SHANNON, EXECUTIVE DIRECTOR
MS. MELANIE SWAN, PRESIDENT, COLUMBIA COLLEGE
STUDENT GOVERNMENT ASSOCIATION
DR. JOE LESESNE, PRESIDENT, WOFFORD COLLEGE & CHAIRMAN, TUITION
GRANTS COMMITTEE

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STATE BUDGET & CONTROL BOARD

EXHIBIT

SEP 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD



FY 1987-88 Budget Request Hearings

SEPTEMBER 16, 1986

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BUDGET HEARINGS SCHEDULE
FY 1987-88

AUGUST 26, 1986
FINAL

DATE & TIME

AGENCY

WEDNESDAY
SEPTEMBER 3

8:55 - 10:30
10:30 - 11:30
11:30 - 12:00
12:00 - 2:00
2:00 - 2:45
2:45 - 3:15
3:15 - 3:30
3:30 - 4:00
4:00 - 4:30
4:30 - 5:00

Panel 1 - EDUCATION K-12
Department of Education
State Library
LUNCH
Educational Television Commission
Dept. of Archives and History
Commission on Women
Election Commission
Museum Commission
S. C. Research Authority

EXHIBIT

SEP 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

THURSDAY
SEPTEMBER 4

8:55 - 10:30
10:30 - 11:00
11:00 - 11:30
11:30 - 12:00
12:00 - 2:00
2:00 - 3:00
3:00 - 3:15
3:15 - 3:30
3:30 - 3:45
3:45 - 4:00
4:00 - 4:15
4:15 - 4:30

Panel 2 - ECONOMIC DEVELOPMENT
Development Board
Department of Agriculture
Clemson - P. S. A.
LUNCH
State Board for Technical & Comprehensive Education
Joint Hearing - Boards and Commissions
Blind Commission
Sea Grant Consortium
Coastal Council
Family Farm Development Authority
Industrial Commission

TUESDAY
SEPTEMBER 16

8:55 - 10:15
10:15 - 10:45
10:45 - 11:15
11:15 - 11:45
11:45 - 12:15
12:15 - 2:00
2:00 - 3:30
3:30 - 4:30
4:30 - 5:00

Panel 3 - NATURAL RESOURCES
Department of Parks, Recreation & Tourism
Department of Wildlife & Marine Resources
Department of Water Resources
Department of Forestry
LUNCH
Panel 4 - HIGHER EDUCATION
Commission on Higher Education
Higher Education Tuition Grants

62984

BUDGET HEARINGS SCHEDULE
FY 1987-88

AUGUST 26, 1986
FINAL

DATE & TIME	AGENCY

WEDNESDAY SEPTEMBER 17 -----	
8:55 - 10:30	Panel 5 - CRIMINAL JUSTICE
10:30 - 11:15	Department of Corrections
11:15 - 12:00	Department of Youth Services
12:00 - 2:00	LUNCH
2:00 - 2:15	Ethics Commission
2:15 - 2:45	Tax Commission
2:45 - 3:00	Appellate Defense
3:00 - 3:30	Foster Care Review Board
3:30 - 4:00	Commission on Aging
4:00 - 4:30	Vocational Rehabilitation
THURSDAY SEPTEMBER 18 -----	
8:55 - 10:30	Panel 6 - HEALTH & HUMAN SERVICES
10:30 - 11:15	Department of Mental Health
11:15 - 12:00	Department of Mental Retardation
12:00 - 2:00	LUNCH
2:00 - 3:00	Department of Health & Environmental Control
3:00 - 3:30	Commission on Alcohol & Drug Abuse
3:30 - 4:15	Department of Social Services
4:15 - 5:00	Health & Human Services Finance Commission
FRIDAY SEPTEMBER 19 -----	
9:00 - 9:30	Federal Funds Overview
9:30 - 10:00	Personnel Issues
10:00 - 11:30	State Budget Overview
TUESDAY SEPTEMBER 23 -----	
10:00 - 12:00	Allocations

02985

P28 DEPARTMENT OF PARKS, RECREATIO

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	11,765,011
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	160,473
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	21,755
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	14,601

TOTAL APPROPRIATION BASE FOR 1986-87	11,961,840
TOTAL STATE FTE'S	(345.47)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

Dept of Parks, Recreation & Tourism	
Andrew Jackson State Park	100,000
Century Farm	1,000
Total PRT	101,000

EXHIBIT
SEP 16 1986 NO. 1
STATE BUDGET & CONTROL BOARD

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME Parks, Recreation & Tourism AGENCY CODE P28

REQUESTED INCREASES			
PRIORITY # 1	PROGRAM NAME: Tourism		
Increased advertising is essential to expand South Carolina's marketshare of U.S. travel-tourism industry, to meet strong competition from other states, and to achieve proportionate progress toward State goal of \$4.2 billion in travel-tourism expenditures, 100,000 jobs and \$250 million state tax revenues by 1990.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	\$1,000,000	TOTAL FUNDS	\$1,000,000
PRIORITY # 2	PROGRAM NAME: State Parks		
Additional funds are needed to handle an accumulation of deferred maintenance throughout system of 44 parks, to protect 1,500 structures and other resources, to sustain an \$8.5 million revenue base and to protect safety and enjoyment of 9 million park users.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	\$658,000	TOTAL FUNDS	\$658,000
PRIORITY # 3	PROGRAM NAME: State Parks		
17 boat access-recreation areas are now open to the public on Lake Russell. Staffing and operational funds are required to meet State's legal contractual obligations with federal government, to adequately manage and maintain facilities and meet ever-increasing demand for public usage.			
STATE FUNDED POSITIONS	4.0	TOTAL POSITIONS	4.0
STATE FUNDS	\$212,700	TOTAL FUNDS	\$212,700
PRIORITY # 4	PROGRAM NAME: Engineering & Planning		
Expand market research and engage professional expertise through contractual arrangements to assist potential investors in development of job-creating, tax-generating travel and tourism facilities on private lands, and help provide some of state park capital needs through private sector investments.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	\$100,000	TOTAL FUNDS	\$100,000
PRIORITY # 5	PROGRAM NAME: State Parks		
The State has acquired a magnificent 10,000-acre mountain wilderness area but only a small park at Caesars Head and limited trail system is available for 400,000 users. Staffing and operational funds are needed to protect this resource and provide more public services and programs.			
STATE FUNDED POSITIONS	5.0	TOTAL POSITIONS	5.0
STATE FUNDS	\$247,486	TOTAL FUNDS	\$247,486
PRIORITY # 6	PROGRAM NAME: Administrative Services		
Add two additional auditors to the two-member internal audit staff to implement recommendations of the recent State audits of PRT through more frequent and comprehensive examinations of state park revenues and tourism and recreation grant programs.			
STATE FUNDED POSITIONS	2.0	TOTAL POSITIONS	2.0
STATE FUNDS	\$44,689	TOTAL FUNDS	\$44,689
PRIORITY #	PROGRAM NAME:		
Agency totals			
STATE FUNDED POSITIONS	11.0	TOTAL POSITIONS	11.0
STATE FUNDS	\$2,262,875	TOTAL FUNDS	\$2,262,875

P24 WILDLIFE & MARINE RESOURCES DE

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	17,125,977
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	300,390
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	33,260
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	22,010-

TOTAL APPROPRIATION BASE FOR 1986-87	17,437,617
TOTAL STATE FTE'S	(423.07)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

Wildlife & Marine Resources Dept	
Aid to Other Entities	25,000
Contractual Services	65,000
Permanent Improvements	80,000
National Governor's Conf Exp	32,340
Mariculture Center Equipment	60,000
Total Wildlife & Marine Res	262,340

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME Wildlife and Marine Resources Dept. AGENCY CODE P24

REQUESTED INCREASES			
PRIORITY # 1	PROGRAM NAME: Administration and Support		
Provide funds for V340 Burrough's Computer and support personnel in the programming area.			
STATE FUNDED POSITIONS 3.00	TOTAL POSITIONS 3.00	STATE FUNDS 481,752	TOTAL FUNDS 481,752
PRIORITY # 2	PROGRAM NAME: Marine Administration		
Provide funds for roof repair at Research Center in Charleston. Existing roof is 15 years old.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 60,000	TOTAL FUNDS 60,000
PRIORITY # 3	PROGRAM NAME: Law Enforcement		
Provide funds for one (1) helicopter replacement and one (1) fixed-wing aircraft (Cessna 180).			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 605,000	TOTAL FUNDS 605,000
PRIORITY # 4	PROGRAM NAME: Law Enforcement		
Provide funds for five (5) conservation officer positions, insurance on buildings, tort, and auto liability. Also provide federal funding for Hunter Safety Program.			
STATE FUNDED POSITIONS 5.00	TOTAL POSITIONS 7.00	STATE FUNDS 435,704	TOTAL FUNDS 507,856
PRIORITY # 5	PROGRAM NAME: Boating Safety		
Provide funds for maintenance and repair of boat ramps on Santee Cooper lakes.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 25,000	TOTAL FUNDS 25,000
PRIORITY # 6	PROGRAM NAME: Game		
Provide funds for support of nuisance alligator management program.			
STATE FUNDED POSITIONS 2.00	TOTAL POSITIONS 2.00	STATE FUNDS 87,521	TOTAL FUNDS 87,521
PRIORITY # 7	PROGRAM NAME: Magazine		
Provide funds for increased postage rates established in February 1986.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 15,000	TOTAL FUNDS 15,000

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1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME Wildlife and Marine Resources Dept. AGENCY CODE P24

REQUESTED INCREASES			
PRIORITY # 8		PROGRAM NAME: Marine Administration	
Provide funds to allow adequate maintenance and upkeep of existing facilities at the Marine Resources Center and to provide for seasonal help.			
STATE FUNDED POSITIONS 2.00	TOTAL POSITIONS 2.00	STATE FUNDS 38,117	TOTAL FUNDS 38,117
PRIORITY # 9		PROGRAM NAME: Fisheries	
Provide funds for two support personnel in fisheries District VI and VII.			
STATE FUNDED POSITIONS 2.00	TOTAL POSITIONS 2.00	STATE FUNDS 26,000	TOTAL FUNDS 26,000
PRIORITY # 10		PROGRAM NAME: Office of Fisheries Management	
Provide funds for funding change in Fisheries Statistics Program due to loss of federal funding.			
STATE FUNDED POSITIONS 2.00	TOTAL POSITIONS	STATE FUNDS 41,808	TOTAL FUNDS 41,808
PRIORITY # 11		PROGRAM NAME: Marine Resources Research Institute	
Provide funds for water quality monitoring and investigation of fish kills and educational materials for library.			
STATE FUNDED POSITIONS 1.00	TOTAL POSITIONS 1.00	STATE FUNDS 42,137	TOTAL FUNDS 42,137
PRIORITY # 12		PROGRAM NAME: Marine Administration	
Provide funds for repairs of fisheries research building at Marine Resources Division.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 30,000	TOTAL FUNDS 30,000
PRIORITY # 13		PROGRAM NAME: Game	
Provide federal funding for Lake Russell project. These monies will be provided by the federal government on a continuing basis.			
STATE FUNDED POSITIONS	TOTAL POSITIONS 1.00	STATE FUNDS	TOTAL FUNDS 27,000
PRIORITY # 14		PROGRAM NAME: Marine Resources Research Institute	
Provide funds for motor vehicle equipment for commercial fisheries research program and contractual services for research.			
02990			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 20,000	TOTAL FUNDS 20,000

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME Wildlife and Marine Resources Dept. AGENCY CODE P24

REQUESTED INCREASES			
PRIORITY # 15	PROGRAM NAME: Marine Administration		
Provide funds for postage rate increase effective February 1986.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS 8,000	TOTAL FUNDS 8,000
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME: Wildlife and Marine Resources Department		
STATE FUNDED POSITIONS 17.00	TOTAL POSITIONS 18.00	STATE FUNDS 1,916,039	TOTAL FUNDS 2,015,191
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
			02991
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS

AVY182CR
AGY AGY NAME

BASE BUDGET INFORMATION

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P04 WATER RESOURCES COMMISSION

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	3,029,322
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	41,675
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	3,996
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	829-

TOTAL APPROPRIATION BASE FOR 1986-87	3,074,164
TOTAL STATE FTE'S	(50.00)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

Water Resources Commission	
Olar Water Pump	30,000
Contractual Services	300,000
Total Water Resources Comm	330,000

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME South Carolina Water Resources Commission AGENCY CODE P04

REQUESTED INCREASES			
PRIORITY # 1	PROGRAM NAME: Surface Water Programs		
Provide funding to implement interbasin transfer program, revised Budget and Control Board permitting program and other surface water hydrologic projects.			
STATE FUNDED POSITIONS 2.0	TOTAL POSITIONS 2.0	STATE FUNDS 151,028	TOTAL FUNDS 151,028
PRIORITY # 2	PROGRAM NAME: Geology and Hydrology Programs		
Provide state match for ground-water investigations of the Lower Savannah River Project area.			
STATE FUNDED POSITIONS 0.0	TOTAL POSITIONS 0.0	STATE FUNDS 82,600	TOTAL FUNDS 82,600
PRIORITY # 3	PROGRAM NAME: Administrative Services		
Provide funds for increased office rent, costs of moving to new office space and increases for operational expenses. 10.6% is non-recurring.			
STATE FUNDED POSITIONS 0.0	TOTAL POSITIONS 0.0	STATE FUNDS 187,500	TOTAL FUNDS 187,500
PRIORITY # 4	PROGRAM NAME: Geology and Hydrology Programs		
Provide funding to establish and staff a field office in the Pee Dee River Basin to conduct basin-wide water resources investigations.			
STATE FUNDED POSITIONS 3.0	TOTAL POSITIONS 3.0	STATE FUNDS 250,000	TOTAL FUNDS 250,000
PRIORITY # 5	PROGRAM NAME: Research and Development Programs		
Provide funding for additional personnel to assist in developing reliable water use data and to develop public information materials.			
STATE FUNDED POSITIONS 3.0	TOTAL POSITIONS 3.0	STATE FUNDS 89,976	TOTAL FUNDS 89,976
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
Agency Totals			
02993			
STATE FUNDED POSITIONS 8.0	TOTAL POSITIONS 8.0	STATE FUNDS 761,104	TOTAL FUNDS 761,104

P12 STATE FORESTRY COMMISSION

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	14,422,225
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	313,274
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	44,020
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	8,902

TOTAL APPROPRIATION BASE FOR 1986-87	14,788,421
TOTAL STATE FTE'S	(574.42)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

State Forestry Commission	
Equipment	150,000
Total Forestry Commission	150,000

EXHIBIT

SEP 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME FORESTRY COMMISSION AGENCY CODE P-12

REQUESTED INCREASES			
PRIORITY # 1	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE		
FOREST FIRE PREVENTION INITIATIVE: Provide funding for two forest law enforcement officers and three forest fire prevention specialists to develop state and regional law enforcement and forest fire prevention programs, addressing S. C.'s wildfire occurrence problem - the second highest in the nation.			
STATE FUNDED POSITIONS 6	TOTAL POSITIONS 6	STATE FUNDS 435,808	TOTAL FUNDS 435,808
PRIORITY # 2	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE		
MECHANIZED EQUIPMENT AND RADIO COMMUNICATION REPLACEMENT: Provide funding to replace old worn-out, unreliable mechanized fire suppression and two-way radio equipment essential to the forest fire protection program and provide for processing and fabrication of the new replacement equipment.			
STATE FUNDED POSITIONS 0	TOTAL POSITIONS 0	STATE FUNDS 1,429,343	TOTAL FUNDS 1,429,343
PRIORITY # 3	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE		
PART-TIME FIRE CREWS: Provide funding for part-time employees needed to allow the Forestry Commission to form 2-person fire crews during the critical portion of the fire season. This will raise the level of safety for our fire fighters and increase the level of protection afforded our forest resources.			
STATE FUNDED POSITIONS (Part-time) 187	TOTAL POSITIONS (Part-time) 187	STATE FUNDS 270,122	TOTAL FUNDS 270,122
PRIORITY # 4	PROGRAM NAME: ADMINISTRATION		
TORT AND MOTOR VEHICLE INSURANCE PREMIUMS: Provide funding for an acceptable level of auto insurance for the Commission's fleet of motor vehicles, and to purchase tort insurance as prescribed by State law.			
STATE FUNDED POSITIONS 0	TOTAL POSITIONS 0	STATE FUNDS 104,200	TOTAL FUNDS 104,200
PRIORITY # 5	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE		
REGENERATION INITIATIVE: Provide funding to increase the forest renewal effort to 2/3 of its legal limits resulting in the reforestation of 7,000 additional acres, thus adding \$47,300,000 to the State's economy.			
STATE FUNDED POSITIONS 0	TOTAL POSITIONS 0	STATE FUNDS 202,900	TOTAL FUNDS 202,900
PRIORITY # 6	PROGRAM NAME: ADMINISTRATION		
SENIOR ACCOUNTANT AND INTERNAL AUDITOR: Provide funding for a senior accountant and internal auditor which would allow for more than one individual familiar with accounting operations as well as enhancing overall internal controls which safeguard the Commission's assets.			
STATE FUNDED POSITIONS 2	TOTAL POSITIONS 2	STATE FUNDS 64,235	TOTAL FUNDS 64,235
PRIORITY # 7	PROGRAM NAME: ADMINISTRATION		
DATA PROCESSING SYSTEM: Provide funding for a processing system at field offices which will enhance the Forestry Commission's ability to render more effective services to the State's forest landowners by providing forest financial analysis and allow Commission personnel to better utilize data processing equipment.			
STATE FUNDED POSITIONS 1	TOTAL POSITIONS 1	STATE FUNDS 257,940	TOTAL FUNDS 257,940

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME FORESTRY COMMISSION AGENCY CODE P-12

REQUESTED INCREASES			
PRIORITY #	8	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE	
TRAVEL AND TELEPHONE; Provide funding to more adequately allow travel and communication by Forestry Commission personnel with the forest landowners and citizens of South Carolina intensifying forest management and forest fire control activities.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	172,228	TOTAL FUNDS	172,228
PRIORITY #	9	PROGRAM NAME: FOREST LANDOWNERS ASSISTANCE	
URBAN FORESTERS/UTILIZATION SPECIALIST: Provide funding for one forest products specialist and two urban foresters to improve utilization of forest resources in secondary manufacturing and to work with homeowners and governmental agencies in the care and protection of trees in urban areas.			
STATE FUNDED POSITIONS	3	TOTAL POSITIONS	3
STATE FUNDS	129,196	TOTAL FUNDS	129,196
PRIORITY #	10	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE	
OPERATION AND MAINTENANCE OF NEWBERRY DISTRICT OFFICE/SHOP COMPLEX: Provide funding for essential electric power, telephone service, heating, maintenance, garbage collection, water, sewage disposal and janitorial service for the proposed Newberry district headquarters and shop complex.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	12,800	TOTAL FUNDS	12,800
PRIORITY #	11	PROGRAM NAME: ADMINISTRATION	
ELIMINATE ASBESTOS HAZARD AT HEADQUARTERS OFFICE BUILDING AND SIGN SHOP: Provide funding to replace health hazardous asbestos ceilings from Headquarters Administrative Building and Sign Shop.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	336,000	TOTAL FUNDS	336,000
PRIORITY #	12	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE	
SEED ORCHARD SEED COLLECTION: Provide funding for a net retrieval system that will insure collection of genetically improved seed from the seed orchard at an average annual savings of \$68,000 over current collection methods.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	219,835	TOTAL FUNDS	219,835
PRIORITY #	13	PROGRAM NAME: FOREST LANDOWNER ASSISTANCE	
IRRIGATION SYSTEM REPLACEMENT: Provide funding to replace the unreliable irrigation system at Coastal Forest Tree Nursery where 22 million seedlings, valued at \$462,000, are produced annually.			
STATE FUNDED POSITIONS	0	TOTAL POSITIONS	0
STATE FUNDS	212,000	TOTAL FUNDS	212,000
PRIORITY #		PROGRAM NAME:	
02996			
STATE FUNDED POSITIONS		TOTAL POSITIONS	
STATE FUNDS		TOTAL FUNDS	

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AGY AGY NAME

BASE BUDGET INFORMATION

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H03 COMMISSION ON HIGHER EDUCATION

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	3,251,680
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	22,641
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	1,944
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	2,253-

TOTAL APPROPRIATION BASE FOR 1986-87	3,274,012
TOTAL STATE FTE'S	(23.00)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

NONE

02997

AGENCY NAME Commission on Higher Education

AGENCY CODE

H03

REQUESTED INCREASES

PRIORITY # 1 | PROGRAM NAME: Administration

The Property Management Division (Real Property) of the Budget & Control Board authorized the Commission to enter into a lease agreement for office space on September 13, 1985. This 3 1/2 year lease was approved with annual increases. The increase for FY 87-88 is \$7,372.

State Funded Positions	Total Positions	State Funds	Total Funds
		\$ 7,372.	\$ 7,372.

PRIORITY # 2 | PROGRAM NAME: Undergraduate Grants

Under the South Carolina Plan for Equity and Equal Opportunity in the Public Institutions of Higher Education, the Undergraduate Grants was approved. The Undergraduate Grants were funded in 1986-87 in the amount of \$200,000. The Plan recommends that the grant be increased by \$100,000. in 1987-88, to allow for the continuation of students in their second year as well as new freshmen in Fall 1987.

State Funded Positions	Total Positions	State Funds	Total Funds
		\$100,000.	\$100,000.

PRIORITY # 3 | PROGRAM NAME: SREB Contract for Services

The Commission, on behalf of the State, contracts through SREB for a given number of spaces for State residents in selected professional schools for professional training not available in the State. For 87-88, we anticipate 86 contract students in veterinary medicine (at \$7,500. per student) and 18 in optometry (at \$5,250. per student). Fees for 87-88 have been increased, by SREB, over 86-87 by \$250. per student in both fields of study. This accounts for \$26,000. of the requested increase.

State Funded Positions	Total Positions	State Funds	Total Funds
		\$67,550.	\$67,550.

PRIORITY # 4 | PROGRAM NAME: SREB Tuition Aid Contract

As requested by the Governor's Task Force on the Arts in 1984, endorsed by the General Assembly in 1985, the Commission on behalf of the State entered into a Tuition Aid Contract, through SREB, with the North Carolina School of the Arts in 1985. This Contract provides that the Commission will pay, on behalf of State residents who are enrolled as high school or as undergraduate college students at this professional school, the out-of-state differential in tuition and fees.

State Funded Positions	Total Positions	State Funds	Total Funds
		\$73,500.	\$73,500.

PRIORITY # 5 | PROGRAM NAME: SREB Small Grants

The SREB operates a Small Grants program for those students electing to participate. The program provides modest grants to faculty or advanced graduate students, primarily for travel to other sites for research purposes. The average grant to any individual is less than \$1,000. The requested increase is needed because the volume of approved grants to South Carolinians, at both public and private institutions, has grown to an annual level of \$10,000.

02998

State Funded Positions	Total Positions	State Funds	Total Funds
		\$5,000.	\$5,000.

AGENCY NAME Commission on Higher Education

AGENCY CODE H03

REQUESTED INCREASES

PRIORITY # 6 : PROGRAM NAME: S.C. Defense Scholarship Fund

The S.C. Defense Scholarship Fund is authorized by statute (Sections 59-111-30 through -40, 1976 Code as amended). The Defense Scholarship Fund provides the required match of \$1 for each \$9 of new federal contributions under three federally-assisted programs: the National Direct, Health Professions and Nursing Student Loan Programs. The Commission administers the Fund for and at the request of the State Auditor. The requested sum should be adequate to furnish the necessary match for federal contributions in FY 87-88.

State Funded	:	Total	:	State	:	Total
Positions	:	Positions	:	Funds \$150,000.	:	Funds \$150,000.

PRIORITY # : PROGRAM NAME:

State Funded	:	Total	:	State	:	Total
Positions	:	Positions	:	Funds	:	Funds

PRIORITY # : PROGRAM NAME: Commission on Higher Education

Agency Totals

State Funded	:	Total	:	State	:	Total
Positions	:	Positions	:	Funds \$403,422.	:	Funds \$403,422.

PRIORITY # : PROGRAM NAME:

State Funded	:	Total	:	State	:	Total
Positions	:	Positions	:	Funds	:	Funds

PRIORITY # : PROGRAM NAME:

02999

State Funded	:	Total	:	State	:	Total
Positions	:	Positions	:	Funds	:	Funds

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AGY AGY NAME

BASE BUDGET INFORMATION

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H06 HIGHER EDUCATION TUITION GRANT

FISCAL YEAR 1986-87

TOTAL STATE FUNDS PER 1986-87 APPROPRIATION ACT	15,811,927
TOTAL FUNDS PROVIDED FOR SALARY ADJUSTMENTS	2,851
B & C BOARD DISTRIBUTION FOR EMPLOYER CONTRIBUTION	539
UNEMPLOYMENT COMPENSATION RATE ADJUSTMENT	236-

TOTAL APPROPRIATION BASE FOR 1986-87	15,815,081
TOTAL STATE FTE'S	(7.00)

SUPPLEMENTAL APPROPRIATION NON-RECURRING IN 1987-88

NONE

03000

1987-88 BUDGET REQUEST SUMMARY

AGENCY NAME Higher Education Tuition Grants AGENCY CODE H06

REQUESTED INCREASES			
PRIORITY #	PROGRAM NAME:		
1	Tuition Grants		
Provide funds to 1) cover all eligible tuition grant applicants who demonstrate financial need and academic merit, 2) increase award amounts to an effective level covering 30% of college expenses or 60% of tuition and fees, 3) raise the percentage that the Tuition Grant Program constitutes of the total higher education appropriation from 4% to 6%.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
0	0	\$3,000,000	\$3,000,000
PRIORITY #	PROGRAM NAME:		
2	Administration		
Provide funds to replace the Governor's reduction in the operational budget of the SCTG Agency and to cover increases in rent, telephone charges, and office supplies, and other increases resulting from inflation.			
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
0	0	\$44,626	\$44,626
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
PRIORITY #	PROGRAM NAME:		
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS
			03001
STATE FUNDED POSITIONS	TOTAL POSITIONS	STATE FUNDS	TOTAL FUNDS

EXHIBIT

SEP 16 1986 NO. 2

STATE BUDGET AND CONTROL STATE BUDGET & CONTROL BOARD

Meeting of September 16, 1986

148-149 Dennis Office Building, Columbia, SC

REGULAR SESSION AGENDA INDEX

<u>Item No.</u>	<u>Agency</u>	<u>Subject</u>
Budget and Control Board 8:55 - 12:15		Natural Resources Budget Hearings
Executive Director 12:15 - 1:15		Economic Situation and Possible Revenue Implications
Budget and Control Board 2:00 - 5:00		Higher Education Budget Hearings

03002

STATE BUDGET AND CONTROL BOARD
MEETING OF September 16, 1986

REGULAR SESSION
ITEM NUMBER

1

AGENCY: Executive Director

SUBJECT: Economic Situation and Possible Revenue Implications

To be presented at the meeting by staff.

EXHIBIT

SEP 16 1986 NO. 2

STATE BUDGET & CONTROL BOARD

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Morris September 15 memo to Governor Riley/Board members.

03003



EXHIBIT

SEP 16 1986

NO. 2

STATE OF SOUTH CAROLINA BOARD OF ECONOMIC ADVISORS

STATE BUDGET & CONTROL BOARD

James A. Morris, Ph.D., Chairman
Barbara A. Feinn, Ph.D., Executive Secretary
John T. Weeks
Bobby M. Bowers

Rembert C. Dennis Building
Suite 345
1000 Assembly Street
Columbia, S. C. 29201
~~803/734-3369~~
803/734-3784

September 15, 1986

INTERNAL MEMORANDUM

To: Governor Richard W. Riley
Members of the Budget and Control Board

The following observation from Research Comment of Merrill, Lynch, Pierce, Fenner & Smith, Inc., dated September 5, 1986, has just come to my attention:

"States with economies tied to the energy and agricultural industries have been forced to cut spending or to raise taxes to keep their budgets balanced. The softness that we expect in the economy means that further tightening measures are likely in many states."

This observation is directly relevant to the South Carolina revenue situation. The official revenue forecast for FY 1988 is not due until November 1st and at that time the BEA will review the progress of revenue collections and consider a revised outlook statement for FY 1987. At this point of time, however, as the BEA meets to consider planning estimates, it is becoming clear that softness in the economy is tending to be reflected in revenue collections.

This letter is intended to provide advance notice that it is likely that revenues for this year will not perform at the rate required to make the existing estimate in the Appropriations Act. The BEA will continue to monitor the economic and revenue outlook and will notify the Budget and Control Board as warranted by significant changes in the outlook.

Respectfully,

James A. Morris
Chairman

cc: Members, Board of Economic Advisors
Jesse A. Coles, Jr., Ph.D.

03004



*Sample -
this letter sent
to all agencies*

State of South Carolina

RICHARD W. RILEY
GOVERNOR

OFFICE OF THE GOVERNOR
POST OFFICE BOX 11450
COLUMBIA 29211

September 18, 1986

EXHIBIT

SEP 16 1986 NO. 2

STATE BUDGET & CONTROL BOARD

Dr. James R. Morris, Jr.
Executive Director
State Board for Technical and
Comprehensive Education
111 Executive Center Drive
Columbia, South Carolina 29210

Dear Jim:

As you may know, the Board of Economic Advisors has officially notified the Budget and Control Board that a revenue shortfall is a strong possibility in FY 1986-87.

At the present time, the Board of Economic Advisors has not given us a revised estimate for this current fiscal year. Because there is much uncertainty among national economists, the BEA is waiting until after the end of the first quarter before providing an exact estimate.

Although no definitive reduction has yet been announced, you should respond to this alert immediately by preparing your contingency plans regarding the programs and items you would reduce in order to handle a reduction. The Budget and Control Board at its September 16 meeting asked that agencies avoid all non-essential expenditures including the hiring of employees unless absolutely necessary.

The Budget and Control Board's Budget Development staff will keep you informed and, as always, will assist you quickly should this reduction become an official action. I realize how difficult it will be for you to operate on reduced resources, and I want to thank you for your efforts to maintain services in light of these probable budget reductions.

Yours sincerely,

Richard W. Riley

RWR/hgem

03005

State of South Carolina

State Budget and Control Board BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

FY 1987 - 88 Budget Hearings

Tuesday, September 16

2:00 - 3:30 p.m.

Panel 4: Higher Education

Panel Members:

Nelle Taylor, Chairman
Commission on Higher Education

Gordon Vandewater
AVA Associates, Inc.
Denver, Colorado

Claude M. Scarborough, Chairman
S. C. Research Authority

Thomas C. Stanton, Chairman
Council of Presidents of State Institutions of Higher Learning
(President, Francis Marion College)

Joseph D. Sapp, Chairman
S. C. Coordinating Council for Economic Development
(Chairman, State Development Board)

MODERATOR: Dr. Terry Peterson, Executive Assistant
Education Division, Governor's Office

03006

EXHIBIT

SEP 16 1986 NO. 3

STATE BUDGET & CONTROL BOARD

PANEL 4 - Higher Education - Tuesday, September. 16, 2:00 - 3:30 p.m.

Participants: Nelle Taylor, Chairman, Commission on Higher Education;
Claude M. Scarborough, Jr., Chairman, S. C. Research
Authority; Gordon Van de Water, Partner in AVA;
Thomas C. Stanton, Chairman, Council of Presidents;

Moderator: Terry Peterson

Budget Analyst: Kaye Sanders

- Issue:
- What are the improvements needed in higher education to be competitive in today's world economy? - Terry Peterson
 - Comprehensive higher education improvement packages tend to have four broad goals:
 - Raise undergraduate students performance by increasing academic standards and improving instruction,
 - Strengthen graduate curricula and program standards,
 - Expand research on critical state problems in conjunction with business and government, and
 - Guarantee results by insuring accountability and rewarding productivity.
 - The Strengths and Weaknesses of South Carolina's Colleges and Universities - Nelle Taylor
 - Planning is a major function of the Commission. Master plans produced in 1972 and 1979, the latter update annually.
 - Education reform movement by 1984 beginning to shift from public schools to colleges and universities, with emphasis on improvement quality.
 - Commission elected to seek a fresh look from the outside by employing Dr. Van de Water and his associates.

03007

EXHIBIT

SEP 16 1986

NO. 3

2.

STATE BUDGET & CONTROL BOARD

- The Strengths and Weaknesses of South Carolina's Colleges and Universities - Gordon Van de Water
 - AVA Study utilized team of 10 experts, Advisory Panel of 5.
 - 108 South Carolina's laymen, legislators, executives and college faculty and administrators interviewed at least once.
 - Major Strengths of S. C. Colleges and Universities:
 - High degree of access,
 - Significant contributions to economic development,
 - Faculty well qualified and competitively paid,
 - Generous support for private colleges,
 - Good progress in desegregating higher education, and
 - Commission's fiscal and academic policies are well designed and widely accepted.
 - Major Weaknesses of S.C. Colleges and Universities:
 - Standards for admission are low,
 - Graduate education and research need more attention,
 - Commission not well-known, and structure and organization may reduce its ability to lead, and
 - Commission should devote more daily attention to planning and to higher education quality assessment.
- Research in Higher Education from an Economic Development/Business Perspective - Claude Scarborough
 - University research and economic development,
 - Comments on national experience,
 - Importance of coordinated effort to produce return on investment,
 - Proposed Research Investment Act, and
 - Alliance for Science and Business.

03008

EXHIBIT

SEP 16 1986

NO. 3

STATE BUDGET & CONTROL BOARD

3.

- What are the prominent national groups recommending to improve higher education? - Tom Stanton
 - There are major differences among the states.
 - Common recommendations:
 - Too many students are poorly prepared,
 - Institutions should assure basic skills proficiency by junior year,
 - States should encourage change at the campus level,
 - The research capacity of universities must be improved.

- What is the Commission on Higher Education going to recommend to improve South Carolina's colleges and Universities? - Nelle Taylor
 - Six Task Forces involving legislators, laymen, and professionals from the institutions are examining each of the recommendations.
 - The Commission expects to provide its plan of action by December.

03009

T H E E N D

03010