

**MINUTES
OF
BUDGET AND
CONTROL BOARD
MEETING**

November 10, 1992

03156

STATE OF SOUTH CAROLINA
State Budget and Control Board
 OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
 GOVERNOR

GRADY L. PATTERSON, JR.
 STATE TREASURER

EARLE E. MORRIS, JR.
 COMPTROLLER GENERAL

JOHN DRUMMOND
 CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
 CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
 EXECUTIVE DIRECTOR

P.O. BOX 12444
 COLUMBIA, SOUTH CAROLINA 29211
 (803) 734-2320

November 10, 1992

MEMORANDUM

TO: Budget and Control Board Division Directors
 FROM: Donna K. Williams, Assistant Executive Director
 SUBJECT: Summary of Board Actions at November 10, 1992, Meeting

This listing of actions is an unofficial **summary** of the Board actions taken at the referenced meeting. The minutes of the meeting are presented in a separate, more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Acting as the State Education Assistance Authority, petitioned the Budget and Control Board to allocate any remaining 1992 ceiling allocation to the Authority and file a carryforward election with the Internal Revenue Service in connection with such allocation;
2. Adopted the Budget and Control Board agenda after adding regular session item #1A, relating to concurrent jurisdiction in Charleston and Beaufort;
3. Approved the minutes of the October 13, 1992, Budget and Control Board meeting;
4. Received as information a report that the Department of Corrections has submitted the "Defendants' 31st Quarterly Report on Compliance" in accord with the terms of a negotiated consent decree entered into on January 8, 1985, in relation to the Nelson v. Leeke suit;
5. Received as information a report of the following disbursements of public assistance funds to various State agencies by the Governor's Office during the July-September, 1992 period: Hugo disaster payments, \$1,353,505.79, and 13th month adjustments, -30,751.17; and flood disaster payments, \$3,312.33;
6. Received as information a Budget Division report that the transfer of \$233,890 of personal service funds had been approved during October to bring the total approved for transfer during the fiscal year to \$1,418,734;

03157

Summary of BCB Actions
Page 2
November 10, 1992, Meeting

7. Received as information the FTE position operating report for the month of October which showed that a net of 6.50 FTE positions had been deleted during the month to bring the base total to 74,993.63 FTE positions of which 67,460.63 were filled and 7,533.00 were vacant;
8. In accord with § 10-1-130, concurred and acquiesced in the following easement:

County Location:	Greenville
From:	Parks Recreation & Tourism
To:	Duke Power Company
Description/Purpose:	Electrical transmission line
Consideration:	\$1.00
9. In accord with Section 11-35-1210, granted procurement certification to the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of five (5) years: Employee Insurance Programs, Unlimited;
10. Received as information the annual report of agencies' sole source and emergency procurements for 1991-92, prepared in accord with Code Section 11-35-2440;
11. Received as information a Division of Human Resource Management report on advancement of sick leave requests approved during the July-September 1992 quarter in accord with the requirements of Section 8-11-40;
12. Received as information a report on exceptional pay increases approved by the Division of Human Resource Management in accord with guidelines approved by the Board on July 16, 1992;
13. Authorized the Department of Archives and History to reduce the salary of an employee whose position was eliminated due to a recent reorganization and who has accepted a lower-paying job in the organization;
14. Received as information the Insurance Services activity report for September 1991 on the State Health, Dental and Insured Benefits Plans;
15. Received as information the 1993 State Health Plan document which will become effective January 1, 1993;
16. Received as information a report on the status of the State Health Plan Hospital Network and the State Health Plan Physician Network;
17. Agreed to hold regular Budget and Control Board meetings on the following dates in calendar year 1993: January 12; February 16; March 9; April 20; May 11; June 8; July 15; August 10; September 14; October 14; November 9; November 23; December 14;

Summary of BCB Actions
Page 3
November 10, 1992, Meeting

18. In accord with Code Section 42-7-90, authorized the Workers' Compensation Fund to expend from its trust fund up to \$206,240, rather than \$106,000 as authorized previously, to employ experts to research and develop a plan of operation under which the Fund could, if required, respond to a mandate to serve a broader market;
19. In accord with Code Section 3-1-150, accepted legislative jurisdiction relinquished by the United States so as to cause certain areas (Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston and Naval Hospital in Beaufort) to be brought under the concurrent legislative jurisdiction of the United States of America and the State of South Carolina;
20. Approved the selection of the Sinkler & Boyd firm to provide bond counsel services for the Jobs-Economic Development Authority for the \$4,950,000 stand alone issue (Crown Contract Services, Inc. project, Columbia, SC);
21. Approved the release of \$350,000 in priority group 22 (January-June 1993) for the USC Music Building project;
22. Approved amended regulations relating to the State grievance procedure for publication in the November State Register;
23. Adopted a resolution authorizing the issuance and sale of \$800,000 University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992;
24. Adopted a resolution approving the Spartanburg County proposal to issue \$8,000,000 solid waste disposal facilities revenue bonds on behalf of the Hoechst Celanese Corporation project, and allocated \$8,000,000 of the state ceiling for the project;
25. Allocated any remaining 1992 state ceiling to the State Education Assistance Authority and agreed to file a carryforward election with the Internal Revenue Service in connection with such allocation;
26. Agreed to meet at 10 a.m. on Tuesday, November 24, 1992, in the Governor's conference room in the State House;
27. In the fiscal year 1993-94 budget hearings, heard a report from the Board of Economic Advisors and accepted \$3,581.8 million as the official revenue forecast for 1993-94; heard the Chief Economist report on the forecast of weighted pupil units in South Carolina; heard a Budget Division report on the 1993-94 budget outlook and recommendations; and directed that the accounts sequestered as a result of the across-the-board budget reduction be finalized as a budget reduction today and authorized the Budget Division to transfer those sequestered accounts;
28. Authorized the SC State University to enter into a legal settlement with Dr. Albert E. Smith; and

93 040

Summary of BCB Actions
Page 4
November 10, 1992, Meeting

29. Authorized the Division of Insurance Services to employ the Turner, Padget, Graham and Laney firm at the rate of \$100 per hour, not to exceed \$50,000, to provide legal services in pending litigation.

DW/lf

03160

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

Tuesday, November 10, 1992

10:00 A. M.

The Budget and Control Board met at 10:00 a.m. on Tuesday, November 10, 1992, in the Senate Finance Committee Hearing Room, 105 Gressette, with the following members in attendance:

Governor Carroll A. Campbell, Jr., Chairman;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator John Drummond, Chairman, Senate Finance Committee;
Representative William D. Boan, Chairman, Ways and Means Committee.
Mr. Grady L. Patterson, Jr., State Treasurer, was absent.

Also attending were Executive Director Luther F. Carter; Board Secretary Donna K. Williams; Deputy Executive Director Richard W. Kelly; Chief Deputy Attorney General Joseph D. Shine; Governor's Senior Executive Assistant W. Eddie Gunn; Deputy State Treasurer Sandy A. Huey and Senior Assistant State Treasurer C. C. "Chuck" Sanders, Jr.; Assistant Comptrollers General George M. Lusk and Kinsey Jenkins; Finance Committee Chief of Staff Robert Merritt and Budget Division Director Susan K. Hooks; Ways and Means Committee Director of Research Frank Fusco; and other Board staff.

[Secretary's Note: This Board meeting was held immediately following a meeting of the State Education Assistance Authority, the members of which are Budget and Control Board members, ex officio.]

Adoption of Agenda

Upon a motion by Mr. Morris, seconded by Mr. Boan, the Board adopted the agenda after adding regular session item #1A relating to concurrent jurisdiction in Charleston and Beaufort.

Welcome by Senate Finance Committee

On behalf of the Senate Finance Committee, Senator Drummond welcomed the Budget and Control Board to the Senate Finance Committee Hearing Room.

Minutes of Previous Meeting

Board members previously had been furnished a draft version of the minutes of the October 13, 1992, Budget and Control Board meeting.

Upon a motion by Mr. Boan, seconded by Senator Drummond, the Board approved the referenced minutes as written.

03160A

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 2**

Blue Agenda

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board approved all items included on the blue agenda.

Blue agenda items are identified as such in these minutes.

Corrections: Defendants' Quarterly Report on Compliance, Nelson v. Leeke (B1)

The Board received as information a report that the Department of Corrections had submitted the "Defendants' 31st Quarterly Report on Compliance" in accord with the terms of a negotiated consent decree entered into on January 8, 1985, in relation to the Nelson v. Leeke suit.

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

Governor's Office: Public Assistance Payments (FEMA), July-Sept. 1992 (B2)

The Board received as information a report of the following disbursements of public assistance funds to various State agencies by the Governor's Office during the July-September, 1992 period: Hugo disaster payments, \$1,353,505.79, and 13th month adjustments, -30,751.17; and flood disaster payments, \$3,312.33.

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

Budget Division: 1991-92 Authorized Personal Service Transfers Report (B3)

The Board received as information a Budget Division report that the transfer of \$233,890 of personal service funds had been approved during October to bring the total approved for transfer during the fiscal year to \$1,418,734.

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

03161

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 3**

Budget Division: FTE Operating Report, October 1992 (Blue Agenda #4)

The Board received as information the FTE position operating report for the month of October which shows that a net of 6.50 FTE positions was deleted during the month to bring the base total to 74,993.63 FTE positions of which 67,460.63 were filled and 7,533.00 were vacant.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

General Services: Easement (Blue Agenda #5)

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board concurred and acquiesced in the granting of the following easement in accord with Code Section 10-1-130:

County Location:	Greenville
From:	Department of Parks Recreation & Tourism
To:	Duke Power Company
Description/Purpose:	Electrical transmission line
Consideration:	\$1.00

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

General Services: Insurance Services, Procurement Certification (B#6)

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board, in accord with Section 11-35-1210, granted procurement certification to the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of five (5) years: Employee Insurance Programs, Unlimited.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 4**

General Services: 1991-92 Sole Source and Emergency Procurements (B7)

The Board received as information the annual report of agencies' sole source and emergency procurements for 1991-92, prepared by the Division of General Services in accord with Code Section 11-35-2440.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

Human Resource Management: Advancement of Sick Leave (Blue #8)

The Board received as information the Division of Human Resource Management report on advancement of sick leave requests approved during the July - September 1992 quarter in accord with the requirements of Section 8-11-40. No requests for employment beyond age 70 were received during the quarter.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 8.

Human Resource Management: Exceptional Pay Increases Awarded to Unclassified Faculty Employees (B#9)

The Board received as information a report on exceptional pay increases approved by the Division of Human Resource Management in accord with guidelines approved by the Board on July 16, 1992.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 9.

Human Resource Mgmt.: Reduction for Non-disciplinary Reason, Archives (B10)

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board authorized the Department of Archives and History to reduce the salary of an employee whose position was eliminated due to a recent reorganization and who has accepted a lower-paying job in the organization.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 10.

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 5**

Insurance Services: Activity Report, September 1992 (Blue Agenda #11)

The Board received as information the Insurance Services activity report for September 1992 on the State Health, Dental and Insured Benefits Plans.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 11.

Insurance Services: 1993 State Health Plan Document (Blue Agenda #12)

The Division advised that the changes to the State Health Plan document, which will become effective January 1, 1993, are mostly of a clerical or technical nature. These changes are necessary to clarify Plan administrative policies and procedures, extend language in areas where the current language has been judged insufficient to make Plan intent clear, improve the organization of the document, and remove obsolete language.

The Board received as information the 1993 State Health Plan document which will become effective January 1, 1993.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 12.

Insurance Services: State Health Plan Provider Networks (Blue #13)

The Division advised that all general hospitals in the state have renewed agreements to participate in the State Health Plan Hospital Network in 1993. The four general hospitals in Augusta, Georgia also have agreed to participate in 1993.

Approximately 3,500 providers have signed up in the State Health Plan Physician Network. A listing of the providers currently enrolled, by specialty and by geographic area, was provided in the agenda materials. The geographic areas were developed using Division of Research and Statistical Services hospital out-migration data and include counties which generally are common to one another with regard to medical services.

The Division continues to accept applications to join the Network. Blue Cross provider relations personnel are focusing recruitment efforts on practices with high State Plan business volume that have not yet agreed to participate and on hospital-based practices that have not yet signed up.

03164

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 6**

Plan subscribers should receive the initial directory of providers by mid-December. Supplements to the directory will be published periodically.

The Board received as information a report on the status of the State Health Plan Hospital Network and the State Health Plan Physician Network.

Information pertaining to this matter has been retained in these files and is identified as Exhibit 13.

Budget and Control Board: 1993 Regular Meeting Schedule (Blue #14)

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board agreed to hold regular Budget and Control Board meetings on the following dates in calendar year 1993: January 12; February 16; March 9; April 20; May 11; June 8; July 15; August 10; September 14; October 14; November 9; November 23; December 14.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

Workers' Compensation Fund: Trust Fund Expenditure (Regular #1)

At its meeting on October 13, 1992, the Board, in accord with Code Section 42-7-90, authorized the Workers' Compensation Fund to expend from its trust fund up to \$106,000 to employ experts to research and develop a plan of operation under which the Fund could, if required, respond to a mandate to serve a broader market.

Fund Director Irvin Parker subsequently advised that the amount required to do the plan is \$206,240 rather than \$106,000. He advised that the Fund had focused on the concept of the plan and the authorization to develop it and had overlooked the erroneously typed amount presented in his proposal.

In accord with Code Section 42-7-90, upon a motion by Mr. Boan, seconded by Senator Drummond, the Board authorized the Workers' Compensation Fund to expend from its trust fund up to \$206,240, rather than \$106,000 as authorized previously, to employ experts to research and develop a plan of operation under which the Fund could, if required, respond to a mandate to serve a broader market.

03165

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 7**

Information pertaining to this matter has been retained in these files and is identified as Exhibit 15.

Governor's Office: Concurrent Jurisdiction in Charleston and Beaufort (R1A)

Governor's Office Deputy Director of Research Donald B. Hottel, Jr., appeared before the Board on this matter.

The Governor's Office advised that the Department of the Navy has requested adjustment of the legislative jurisdiction held by the United States over certain areas in Charleston and Beaufort to obtain concurrent federal/state jurisdiction over designated areas of land (Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston; and Naval Hospital in Beaufort). This process was originated by the Navy in 1983.

The concurrent jurisdiction permits military and/or civilian law enforcement officers to enforce pertinent federal, state, or local laws on military installations. Without concurrent jurisdiction, it is difficult or impossible to enforce local and state laws. The federal/state concurrent jurisdiction will enhance law enforcement for both military and civilian authorities, a goal that is consistent with state and local interests on the issue of criminal justice and the State's efforts to show goodwill in retaining military installations.

The Attorney General's Office has advised that state or local entities will not be obligated or incur any greater liability than already exists where the state has sole jurisdiction. Once concurrent jurisdiction is established, the Navy will be able to initiate negotiation of Memorandums of Understanding with local authorities which will allow federal/local authorities to determine the scope of activity and proper procedure of the areas.

Local authorities have expressed a positive attitude toward the proposal and anticipate no major changes in their relationship with the Navy. They concur that it is practical and a good agreement to have in place.

Mr. Hottel briefly outlined the major points of the proposal as presented in the agenda materials. Governor Campbell observed that this is a goodwill effort and that the affected area wants to show a cooperative spirit with the Navy.

Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 8

Upon a motion by Mr. Morris, seconded by Senator Drummond, the Board, in accord with Code Section 3-1-150, accepted legislative jurisdiction relinquished by the United States so as to cause certain areas (Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston and Naval Hospital in Beaufort) to be brought under the current legislative jurisdiction of the United States of America and the State of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

State Treasurer: Bond Counsel Selection (Regular #2)

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved the selection of the Sinkler & Boyd firm to provide bond counsel services for the Jobs-Economic Development Authority for the \$4,950,000 stand alone issue (Crown Contract Services, Inc., project, Columbia, SC).

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

General Services: CIB Funds for USC Music Bldg. Project in Group 22 (R#3)

On October 7, the Joint Bond Review Committee had favorably reviewed the release of the initial draw of \$350,000 in priority group 22 (January-June 1993) for the USC Music Building project on the Columbia campus. The 1991 Bond Act authorization for the Music Building is \$17,525,830.

Upon a motion by Mr. Boan, seconded by Mr. Morris, the Board approved the release of \$350,000 in priority group 22 (January-June 1993) for the USC Music Building project.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

Human Resource Mgmt.: Amended Regulations, State Grievance Process (R#4)

Section 8-11-230 of the S. C. Code of Laws and Sub-regulation 19-775.34 of the S. C. Code of Regulations provide that the Budget and Control Board develop and promulgate rules and regulations concerning the State grievance process.

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 9**

The Division advised that, upon approval by the Board, revisions to existing rules and regulations which update provisions and improve administration of the process will be published in the November State Register. Final revisions will be submitted for Budget and Control Board approval prior to submission to the General Assembly.

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved amended regulations relating to the State grievance procedure for publication in the November State Register.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

USC: Student and Faculty Housing Revenue Bond Anticipation Notes (R5)

The Board was asked to adopt a resolution authorizing the issuance and sale of \$800,000 University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992.

The Board had approved the project and original financing last year. In December of 1991, \$850,000 Series 1991 Bond Anticipation Notes were issued. USC contemplates paying interest and \$50,000 of principal on the outstanding notes from excess revenues. The balance of \$800,000 would be rolled over with the new bond anticipation note issue.

The USC Board of Trustees on October 20 adopted a resolution authorizing the issuance of the bond anticipation notes. USC also has prepared calculations showing compliance with the necessary debt service test in order for the bonds to be issued. The State Treasurer's Office has reviewed the documents.

Upon a motion by Mr. Morris, seconded by Senator Drummond, the Board adopted a resolution authorizing the issuance and sale of \$800,000 University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 10

Spartanburg County: Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation) (Regular #6)

The Board was advised that the required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law and an allocation of a portion of the Ceiling is requested.

Issuing Authority:	Spartanburg County
Amount of Issue:	\$8,000,000 Solid Waste Disposal Facilities Revenue Bonds
Allocation Amount:	\$8,000,000
Name of Project:	Hoechst Celanese Corporation
Employment Impact:	approximately 45 additional people
Project Description:	solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto

Upon a motion by Mr. Morris, seconded by Senator Drummond, the Board adopted a resolution approving the Spartanburg County proposal to issue \$8,000,000 solid waste disposal facilities revenue bonds on behalf of the Hoechst Celanese Corporation project, and allocated \$8,000,000 for the project.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

State Education Assistance Authority: Ceiling Allocation (R7)

The State Education Assistance Authority requested that the Budget and Control Board allocate any remaining 1992 state ceiling to the Authority and file a carryforward election with the Internal Revenue Service in connection with such allocation.

The Board was advised that, as of November 4, the ceiling amount available for allocation was \$35,600,000. After the \$8,000,000 allocation for the Hoechst Celanese Corporation project, the balance available will be \$27,600,000.

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board allocated any remaining 1992 state ceiling to the State Education Assistance Authority and agree to file a carryforward election with the Internal Revenue Service in connection with such allocation.

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

03169

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 11**

Budget and Control Board: Future Meeting (Regular #8)

The Board was advised that the next regular meeting of the Budget and Control Board is scheduled to be held at 10 a.m. on Tuesday, November 24, 1992, in the Governor's conference room in the State House.

The December 8 meeting has been rescheduled and will be held on **December 7** at 11 a.m. at the Donnelley Wildlife Management Area in Colleton County.

The Board without objection agreed to meet at 10 a.m. on Tuesday, November 24, 1992, in the Governor's conference room in the State House.

Budget Hearings

Budget Division Special Projects Manager Michael Shealy advised the Board that the following three speakers would discuss the 1993-94 budget outlook: Harry W. Miley, Jr., Ph.D., Chairman of the Board of Economic Advisors; William C. Gillespie, Ph.D., Chief Economist, Board of Economic Advisors; and Charles A. Brooks, Jr., Director State Budget Division.

The Board then heard presentations on the following topics:

Forecast of Weighted Pupil Units in South Carolina
William C. Gillespie, Ph.D., Chief Economist, Board of Economic Advisors

Fiscal Year 1993-94 General Fund Revenue Forecast
Harry W. Miley, Jr., Ph.D., Chairman, Board of Economic Advisors

Budget Outlook and Recommendations, Fiscal Year 1993-94
Charles A. Brooks, Jr., Director, State Budget Division

Upon a motion by Mr. Morris, seconded by Mr. Boan, the Board accepted \$3,581.8 million as the official revenue forecast for 1993-94.

Upon a motion by Mr. Boan, seconded by Senator Drummond, the Board directed that the accounts sequestered as a result of the across-the-board budget reduction be finalized as a budget reduction today and authorized the Budget Division to transfer those sequestered accounts.

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

03170

**Minutes of Budget and Control Board Meeting
November 10, 1992 -- Page 12**

Executive Session

Upon a motion by Mr. Morris, seconded by Mr. Boan, the Board agreed to consider the following items, which had been published previously, in executive session, whereupon Governor Campbell declared the meeting to be in executive session:

- | | | |
|---|---------------------------|--|
| 1 | Human Resource Management | Personnel Settlement (SC State University) |
| 2 | Insurance Services | Legal Advice (State Health Plan) |

Report on Matters Discussed in Executive Session

Following the executive session, the meeting was opened, and the Board voted on the following items which had been discussed during executive session:

- (a) **Human Resource Management: Personnel Settlement (SC State University) (Executive Session #1)**

Upon a motion by Mr. Morris, seconded by Senator Drummond, the Board authorized the SC State University to enter into a legal settlement with Dr. Albert E. Smith.

- (b) **Executive Director: Legal Advice (Proposed Legislation) (X2)**

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board authorized the Division of Insurance Services to employ the Turner, Padgett, Graham and Laney firm at the rate of \$100 per hour, not to exceed \$50,000, to provide legal services in pending litigation.

Adjournment

Upon a motion by Mr. Morris, the meeting was adjourned at 12:00 noon.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were 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 3:00 p.m. on Friday, November 6, 1992.]

03171

EXHIBIT

NOV 10 1992

1

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 1

AGENCY: Department of Corrections

SUBJECT: Defendants' Quarterly Report on Compliance, Nelson v. Leeke

The Department of Corrections has submitted the "Defendants' 31st Quarterly Report on Compliance" to the court, plaintiffs' counsel, the Budget and Control Board and each institution.

The attached excerpt from the report is a summary of major compliance activities. The detailed report is available to Board members upon request.

BOARD ACTION REQUESTED:

Receive as information a report that the Department of Corrections has submitted the "Defendants' 31st Quarterly Report on Compliance" in accord with the terms of a negotiated consent decree entered into on January 8, 1985, in relation to the Nelson v. Leeke suit.

ATTACHMENTS:

Excerpt from "Defendant's 31st Quarterly Report on Compliance"

03172



south carolina department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221-1787
TELEPHONE (803) 737-8555
PARKER EVATT, Commissioner

October 8, 1992

RECEIVED

OCT 9 1992

Mr. Fred Carter
Executive Director
S.C. Budget and Control Board
612 Wade Hampton Building
Columbia, South Carolina 29211

Budget and Control Board
Office of the Executive Director

RE: NELSON V. LEEKE, CIVIL ACTION NO. 82-876-2

Dear Mr. Carter:

According to the terms of the negotiated settlement reached in the above-captioned case, the South Carolina Department of Corrections is required to submit detailed quarterly reports on compliance to the Court, Plaintiffs' counsel, the South Carolina Budget and Control Board, and to each institution.

Attached please find a copy of the "Defendants' 31st Quarterly Report on Compliance," for your information and review.

If you have any questions regarding the information contained herein, please feel free to contact me at 737-8431.

Sincerely,

John G. Norris
Executive Assistant for Legal
Settlements and Compliance

Enclosure

03173

BOARD OF
CORRECTIONS

WILMA SYKES BROWN
Charleston, S.C.

GERALD F. SMITH
Columbia, S.C.

GOETZ B. EATON
Anderson, S.C.

MILTON SMITH
Spartanburg, S.C.

C. LOCK McKINNON
Lancaster, S.C.

ROBERT M. HARRELSON
Mullins, S.C.

CARROLL A. CAMPBELL, JR., GOVERNOR, Member Ex-Officio, Columbia, S.C.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

Gary Wayne Nelson, et al.,

Plaintiffs

-vs.-

William D. Leeke, Commissioner
South Carolina Department of
Corrections, and Members of the
South Carolina Board of
Corrections,

Defendants

CIVIL ACTION NUMBER 82-876-2

DEFENDANTS' 31ST QUARTERLY
REPORT ON COMPLIANCE

Prepared by:

John G. Norris
Executive Assistant for the Office
of Legal Settlements and Compliance

Columbia, South Carolina
October 8, 1992

03174

INTRODUCTION

This report is submitted to the Court in compliance with the terms of a negotiated Consent Decree entered into between the parties to this action on January 8, 1985. The terms of the Decree were reviewed by the Honorable C. Weston Houck, United States District Court Judge, District of South Carolina, and the Decree was approved by the Court on March 26, 1986.

Under Section III. (U). of the Consent Decree, the Defendants are required to submit detailed quarterly reports outlining the Department's compliance with the terms of the Agreement. It was the intention of the parties that the time tables for compliance with the various issues set forth in the Decree would commence with the ratification of the Decree by the parties to this action (Section III. (p).).

This "Thirty-first Quarterly Report on Compliance," contains a listing of the approximately 238 identifiable issues in the Decree. The Report further details the activities and efforts undertaken and made during this reporting period to achieve compliance with each issue. Appendices to this Report represent more detailed compliance information concerning certain issues of the Decree for which a lengthy explanation of compliance efforts in the body of the Report appeared unsuitable.

SUMMARY OF MAJOR COMPLIANCE EVENTS/EFFORTS

(Compliance Quarter: July 1, 1992 - September 30, 1992)

Inmate Admissions

During Calendar Year 1991, the average facility count increase was 67 inmates. The average facility count increase for 1992 (through August) is 59 inmates. However, over the past three months (June through August, 1992), the average facility count was reported as -30 inmates. The facility count has diminished due in part to 714 inmates having been released under the Supervised Furlough I program since November 1, 1991. The all-time high facility count for SCDC is 16,934 which was reported on June 30, 1992.

Total noncompliance reported on September 28, 1992 was 794 beds. Details pertaining to specific areas of noncompliance are contained below.

Inmate Housing Requirements of the Decree

Housing Noncompliance at Reception and Evaluation Centers

Male Reception and Evaluation Centers began double-celling inmates in noncompliance with the terms of the Decree during 1989. The following number of cells were double-occupied at Reception and Evaluation Centers as of September 28, 1992:

<u>Institution</u>	<u># of Double-Cells</u>
Broad River Reception & Evaluation	79
Lieber Reception & Evaluation	92
Perry Reception & Evaluation	88

Double-celling at the Reception and Evaluation Centers is due not only as a result of admissions to the Department, but also due to the lack of certain custody levels of beds. Such admissions have caused a lack of available general population bedspace throughout the Department; thus, making it difficult for Reception and Evaluation Center staff to expeditiously transfer inmates to available beds. Until such a time that admission levels taper or sufficient bedspace is constructed to keep pace with the current admission levels, it is expected that Reception and Evaluation Centers will continue to house a certain portion of their population in double-cells.

Housing Noncompliance at Minimum Security Institutions

Certain institutions continue to report noncompliance due to their continued utilization of additional beds:

Cross Anchor Correctional Institution	112
Goodman Correctional Institution	67
Manning Correctional Institution	94
Walden Correctional Institution	53
Wateree River Correctional Institution	92

Housing at the Women's Correctional Center

The Women's Correctional Center continues to remain in full compliance with the terms of the Decree.

It should be noted that during this quarter a 40-bed reception and evaluation center for women became operational in September, 1992 at the Women's Correctional Center. By utilizing Cottage 8, classification and assignment procedures for women were implemented to coordinate assignments for women at the Women's Correctional Center, Leath Correctional Institution for Women, and State Park Correctional Center.

Summary of Compliance with Other Housing Requirements of the Decree

Existing Medium Security General Population Institutional Housing

Compliance was maintained at the following general population medium security facilities: Dutchman Correctional Institution; Central Correctional Institution; and the Officers' Quarters.

However, Perry Correctional Institution and Kirkland Correctional Institution continue to double-occupy certain cells in noncompliance with the Decree. As of September 28, 1992, Kirkland Correctional Institution had 61 cells reported in noncompliance, while Perry Correctional Institution reported 56 cells in noncompliance.

Status of Construction Projects

To date, all construction projects specifically identified in the Decree have been completed. Plans to relocate the Central Correctional Institution have been approved and, currently, this project is expected to be completed by October, 1993. The new "Lee Correctional Institution" will house 1,468 male offenders.

For additional information regarding the Department's requests for construction funding, please refer to page 4, "Status of Department's Requests for Additional Bedspace", in the 25th Quarterly Report on Compliance.

Nelson Complaint System

Information pertaining to the Nelson Complaint System has been included in this edition of the Quarterly Report under Section XVII, "Other Issues." During the months of June, 1992 through August, 1992, approximately 426 Nelson Complaints were processed. Major areas of concern indicated by most inmates were Health Services, Environmental Sanitation, Segregation, and Non-Nelson.

Abbreviations

The following abbreviations are used throughout this Report:

AIMS	-	Adult Internal Management System
ACA	-	American Correctional Association
ACR	-	Appalachian Correctional Region
CCR	-	Coastal Correctional Region
DHEC	-	Department of Health and Environmental Control
NFPA	-	National Fire Protection Association
NIC	-	National Institute of Corrections
MCR	-	Midlands Correctional Region
PC	-	Protective Custody
SCCJA	-	South Carolina Criminal Justice Academy
SCDC	-	South Carolina Department of Corrections
SCDMH	-	South Carolina Department of Mental Health
SSR	-	Substantiated Security Risk
YOA	-	Youthful Offender Act

The following institutional abbreviations are also used:

ACI	-	Allendale Correctional Institution
AYCC	-	Aiken Youth Correctional Center
BCC	-	Byrnes Clinical Center
BRWC	-	Blue Ridge Work Center
BRR&EC	-	Broad River Reception and Evaluation Center
BRCI	-	Broad River Correctional Institution
CACI	-	Cross Anchor Correctional Institution
CAWC	-	Catawba Work Center
CCI	-	Central Correctional Institution
COWC	-	Coastal Work Center
CWC	-	Campbell Work Center
DCI	-	Dutchman Correctional Institution
ECI	-	Evans Correctional Institution
GCI	-	Goodman Correctional Institution
GCC	-	Greenwood Correctional Center
GYCC	-	Givens Youth Correctional Center
KCI	-	Kirkland Correctional Institution
LCI	-	Lieber Correctional Institution
LCIW	-	Leath Correctional Institution for Women
LIWC	-	Livesay Work Center
LSWC	-	Lower Savannah Work Center
MCI	-	Manning Correctional Institution

MCCI	-	McCormick Correctional Institution
MR&EC	-	Midlands Reception and Evaluation Center
MSC	-	Maximum Security Center (Building 5)
NCC	-	Northside Correctional Center
PCI	-	Perry Correctional Institution
PWC	-	Palmer Work Center
SPCC	-	State Park Correctional Center
SCI	-	Stevenson Correctional Institution
WCI	-	Walden Correctional Institution
WRCI	-	Wateree River Correctional Institution
WPRC	-	Watkins Pre-Release Center
WCC	-	Women's Correctional Center

Stop

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

Gary Wayne Nelson, et al.,

Plaintiffs

-vs.-

William D. Leeke, Commissioner
South Carolina Department of
Corrections, and Members of the
South Carolina Board of
Corrections,

Defendants

CIVIL ACTION NUMBER 82-876-2

DEFENDANTS' 31ST QUARTERLY
REPORT ON COMPLIANCE

EXHIBIT

NOV 10 1992

1

STATE BUDGET & CONTROL BOARD

Prepared by:

John G. Norris
Executive Assistant for the Office
of Legal Settlements and Compliance

Columbia, South Carolina
October 8, 1992

03180

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	i
SECTION I: "DEFENDANTS' 31ST QUARTERLY REPORT ON COMPLIANCE," OCTOBER 8, 1992.....	1
Category I: Notification.....	1
Category II: Housing.....	1
Category III: Staffing.....	3
Category IV: Staff Training.....	3
Category V: Health Services.....	6
Category VI: Programs.....	6
Category VII: Libraries.....	6
Category VIII: Classification.....	8
Category IX: Visitation.....	8
Category X: Physical Restraints.....	8
Category XI: Fire Safety.....	9
Category XII: Construction.....	9
Category XIII: Sanitation and Hygiene/Physical Plant/Furnishings....	9
Category XIV: Food Service.....	9
Category XV: Other Issues.....	9
Category XVI: Conclusion.....	13
SECTION II: APPENDICES	
Appendix A: Revised <u>Nelson</u> Capacities at SCDC Institutions by 1992 (Capacities Reflected Became Effective October 8, 1992).....	15
Appendix B: Serious Incident Reports (AIMS).....	21
Appendix C: Phase III 4th Quarterly Report.....	28

I N T R O D U C T I O N

03182

INTRODUCTION

This report is submitted to the Court in compliance with the terms of a negotiated Consent Decree entered into between the parties to this action on January 8, 1985. The terms of the Decree were reviewed by the Honorable C. Weston Houck, United States District Court Judge, District of South Carolina, and the Decree was approved by the Court on March 26, 1986.

Under Section III. (U). of the Consent Decree, the Defendants are required to submit detailed quarterly reports outlining the Department's compliance with the terms of the Agreement. It was the intention of the parties that the time tables for compliance with the various issues set forth in the Decree would commence with the ratification of the Decree by the parties to this action (Section III. (p).).

This "Thirty-first Quarterly Report on Compliance," contains a listing of the approximately 238 identifiable issues in the Decree. The Report further details the activities and efforts undertaken and made during this reporting period to achieve compliance with each issue. Appendices to this Report represent more detailed compliance information concerning certain issues of the Decree for which a lengthy explanation of compliance efforts in the body of the Report appeared unsuitable.

03183

SUMMARY OF MAJOR COMPLIANCE EVENTS/EFFORTS

(Compliance Quarter: July 1, 1992 - September 30, 1992)

Inmate Admissions

During Calendar Year 1991, the average facility count increase was 67 inmates. The average facility count increase for 1992 (through August) is 59 inmates. However, over the past three months (June through August, 1992), the average facility count was reported as -30 inmates. The facility count has diminished due in part to 714 inmates having been released under the Supervised Furlough I program since November 1, 1991. The all-time high facility count for SCDC is 16,934 which was reported on June 30, 1992.

Total noncompliance reported on September 28, 1992 was 794 beds. Details pertaining to specific areas of noncompliance are contained below.

Inmate Housing Requirements of the Decree

Housing Noncompliance at Reception and Evaluation Centers

Male Reception and Evaluation Centers began double-celling inmates in noncompliance with the terms of the Decree during 1989. The following number of cells were double-occupied at Reception and Evaluation Centers as of September 28, 1992:

<u>Institution</u>	<u># of Double-Cells</u>
Broad River Reception & Evaluation	79
Lieber Reception & Evaluation	92
Perry Reception & Evaluation	88

Double-celling at the Reception and Evaluation Centers is due not only as a result of admissions to the Department, but also due to the lack of certain custody levels of beds. Such admissions have caused a lack of available general population bedspace throughout the Department; thus, making it difficult for Reception and Evaluation Center staff to expeditiously transfer inmates to available beds. Until such a time that admission levels taper or sufficient bedspace is constructed to keep pace with the current admission levels, it is expected that Reception and Evaluation Centers will continue to house a certain portion of their population in double-cells.

EXHIBIT

NOV 10 1992

11

STATE BUDGET & CONTROL BOARD

Housing Noncompliance at Minimum Security Institutions

Certain institutions continue to report noncompliance due to their continued utilization of additional beds:

Cross Anchor Correctional Institution	112
Goodman Correctional Institution	67
Manning Correctional Institution	94
Walden Correctional Institution	53
Wateree River Correctional Institution	92

Housing at the Women's Correctional Center

The Women's Correctional Center continues to remain in full compliance with the terms of the Decree.

It should be noted that during this quarter a 40-bed reception and evaluation center for women became operational in September, 1992 at the Women's Correctional Center. By utilizing Cottage 8, classification and assignment procedures for women were implemented to coordinate assignments for women at the Women's Correctional Center, Leath Correctional Institution for Women, and State Park Correctional Center.

Summary of Compliance with Other Housing Requirements of the Decree

Existing Medium Security General Population Institutional Housing

Compliance was maintained at the following general population medium security facilities: Dutchman Correctional Institution; Central Correctional Institution; and the Officers' Quarters.

However, Perry Correctional Institution and Kirkland Correctional Institution continue to double-occupy certain cells in noncompliance with the Decree. As of September 28, 1992, Kirkland Correctional Institution had 61 cells reported in noncompliance, while Perry Correctional Institution reported 56 cells in noncompliance.

Status of Construction Projects

To date, all construction projects specifically identified in the Decree have been completed. Plans to relocate the Central Correctional Institution have been approved and, currently, this project is expected to be completed by October, 1993. The new "Lee Correctional Institution" will house 1,468 male offenders.

For additional information regarding the Department's requests for construction funding, please refer to page 4, "Status of Department's Requests for Additional Bedspace", in the 25th Quarterly Report on Compliance.

Nelson Complaint System

Information pertaining to the Nelson Complaint System has been included in this edition of the Quarterly Report under Section XVII, "Other Issues." During the months of June, 1992 through August, 1992, approximately 426 Nelson Complaints were processed. Major areas of concern indicated by most inmates were Health Services, Environmental Sanitation, Segregation, and Non-Nelson.

Abbreviations

The following abbreviations are used throughout this Report:

AIMS	-	Adult Internal Management System
ACA	-	American Correctional Association
ACR	-	Appalachian Correctional Region
CCR	-	Coastal Correctional Region
DHEC	-	Department of Health and Environmental Control
NFPA	-	National Fire Protection Association
NIC	-	National Institute of Corrections
MCR	-	Midlands Correctional Region
PC	-	Protective Custody
SCCJA	-	South Carolina Criminal Justice Academy
SCDC	-	South Carolina Department of Corrections
SCDMH	-	South Carolina Department of Mental Health
SSR	-	Substantiated Security Risk
YOA	-	Youthful Offender Act

The following institutional abbreviations are also used:

ACI	-	Allendale Correctional Institution
AYCC	-	Aiken Youth Correctional Center
BCC	-	Byrnes Clinical Center
BRWC	-	Blue Ridge Work Center
BRR&EC	-	Broad River Reception and Evaluation Center
BRCI	-	Broad River Correctional Institution
CACI	-	Cross Anchor Correctional Institution
CAWC	-	Catawba Work Center
CCI	-	Central Correctional Institution
COWC	-	Coastal Work Center
CWC	-	Campbell Work Center
DCI	-	Dutchman Correctional Institution
ECI	-	Evans Correctional Institution
GCI	-	Goodman Correctional Institution
GCC	-	Greenwood Correctional Center
GYCC	-	Givens Youth Correctional Center
KCI	-	Kirkland Correctional Institution
LCI	-	Lieber Correctional Institution
LCIW	-	Leath Correctional Institution for Women
LIWC	-	Livesay Work Center
LSWC	-	Lower Savannah Work Center
MCI	-	Manning Correctional Institution

03186

MCCI	-	McCormick Correctional Institution
MR&EC	-	Midlands Reception and Evaluation Center
MSC	-	Maximum Security Center (Building 5)
NCC	-	Northside Correctional Center
PCI	-	Perry Correctional Institution
PWC	-	Palmer Work Center
SPCC	-	State Park Correctional Center
SCI	-	Stevenson Correctional Institution
WCI	-	Walden Correctional Institution
WRCI	-	Wateree River Correctional Institution
WPRC	-	Watkins Pre-Release Center
WCC	-	Women's Correctional Center

03187

S E C T I O N I

03188

31ST QUARTERLY REPORT ON COMPLIANCE FOR NELSON
October 8, 1992

CATEGORY I: NOTIFICATION

Information regarding the Nelson Decree continues to be disseminated to all employees and inmates on a regular basis. New employee orientation classes are being conducted by a representative of the Compliance Office to ensure that all new employees are familiar with the basic terms of the Decree prior to beginning their job assignments. Additionally, information pertaining to the monthly status of the Nelson Decree is transmitted to all employees and inmates through the use of the Department's "Video Bulletin Board" -- a monthly video news bulletin sent to all institutions and presented to all employees and inmates in an effort to keep such individuals up-to-date as to recent developments throughout the SCDC. Also, training classes regarding the Nelson Decree are conducted by a representative of the Compliance Office to institutional employees at the request of the Institution Head.

In addition to the above, copies of the Nelson Decree are available for inmate review in each inmate living area, institutional library or, if no institutional library exists, in an area of the institution which is generally accessible to inmates. Inmates are able to request their own personal copy of the Nelson Decree by making a written request to their Warden (or Designee) and signing for receipt of same. Lastly, most institutional officials now include information relative to the Nelson Decree in their new inmate orientation programs or at least review the summary of the Nelson Decree included in the SCDC's Inmate Guide which is disseminated to all new inmates upon their arrival to the SCDC.

A new edition of the Inmate Guide was printed and distributed as of March 20, 1989. This edition of the Guide included a synopsis of the Nelson Decree as is required under Section II. F., page 6, of the Decree.

CATEGORY II: HOUSING

During this reporting period, the Agency continued to house inmates in noncompliance with the terms of the Decree. During the past three months (June, 1992 through August, 1992), the average facility count was -30 inmates. This facility count decrease is due in part to 714 inmates being released under the Supervised Furlough I Program since November, 1991. It should be noted, however, admission rates are expected to pick up substantially now that the courts in all 16 circuits have recently resumed session and nine (9) new circuit judges assumed duties during September, 1992. As stated in previous reports, these Supervised Furlough I releases have left the Department with a surplus of beds in certain less secure, minimum security facilities. Departmental officials are continuing to make every effort to reclassify inmates for transfer to available beds. However, the following facilities are reported in noncompliance status as of September 28, 1992:

EXHIBIT

NOV 10 1992

1

STATE BUDGET & CONTROL BOARD

03189

<u>Institution</u>	<u>Number of Noncomplying Beds</u>
RECEPTION & EVALUATION CENTERS	
Broad River	79
Lieber	92
Perry	88
MALE MINIMUM SECURITY	
Cross Anchor	112
Goodman	67
Manning	94
Walden	53
Wateree	92
MALE MEDIUM SECURITY	
Kirkland	61
Perry	56
TOTAL	794

Noncompliance increased from 644 as of June 22, 1992 to 794 as reported on September 28, 1992.

It should be noted that funding to operate the Offender Management System was not received by the Department of Probation, Parole and Pardon Services in the 1992-93 Appropriations Act and the operation of the Offender Management System will not be initiated due to lack of funds.

The Compliance Office continues to calculate the number of beds which are available daily at every facility based on the inmate count and approved Nelson capacities. Information on bedspace availability throughout the Department is forwarded to Plaintiffs' counsel weekly. During this reporting period, the average number of bedspaces available monthly by custody type were, as follows:

<u>Month</u>	<u>Male General Population*</u>	<u>Reception & Evaluation</u>	<u>Female</u>	<u>Special Purpose**</u>	<u>TOTAL***</u>
June	255	0	123	32	410
July	227	0	95	39	361
August	269	0	83	34	386

*Includes all medium, minimum, work release, and work camp beds available. Reflects available bedspace due to double-celling at BRCI, McCI, LCI, ECI and ACI.

**Special Purpose refers to handicapped and medical bedspace.

***Total does not include inmates on "authorized absence" or on medical leave from the Department.

03190

An original Appendix was completed before the signing of the Decree and is included as Appendix F to the Decree. However, since the signing of the Decree, modifications (i.e., additions as a result of capital improvement project approvals, renovations resulting in the loss of bedspace, etc.) have occurred at certain institutions that have changed the mandated capacities from those original reported in Appendix F of the Decree. Since the signing of the Housing Modification Agreement on December 11, 1990, selected minimum security facilities bedspace capacities increased. These increases are reflected in Appendix A of this Quarterly Report.

Certain minimum security institutions (Greenwood, Goodman, Walden and Wateree) were required to implement reduced capacities mandated per the Minimum Security Housing Modification Agreement as of June 30, 1992: Greenwood (-8); Goodman (-92); Walden (-15); and Wateree (-24), for a total reduction of 139 beds. These decreases are also reflected in Appendix A of this Quarterly Report.

Capacities are monitored at all institutions. According to the terms of the Decree, the Department can be in noncompliance by no more than 10% over the required capacity at Institutions housing less than 200 inmates and 5% over the required capacity at institutions with more than 200 inmates, provided that the combined totals of the institutions does not exceed 100% of the combined total capacity. Presently, the total inmate count for all institutions is in excess of 100% of the total capacity allowed and authorized under the terms of the Decree. As of September 28, 1992, the total inmate population was 103% over the total combined bedspace capacity.

CATEGORY III: STAFFING

Inmate to staff ratios for medium and maximum security institutions have been monitored by the Compliance Office since October 1, 1984. The reported inmate/staff ratios on July 16, 1992 and August 16, 1992 are illustrated in Graphs A and B on the following pages. It should be pointed out that the inmate/staff ratios listed for each institution compare the population of the facility for the given day with the authorized security strength of each facility. Correctional officers are to be posted inside each ward/cell block in medium and maximum security institutions, and have sight or sound observation at medium, maximum and minimum security institutions. All other institutions reported compliance with these issues.

In addition to the above, due to severe budgetary problems experienced again this fiscal year throughout the State, the Department of Corrections placed a hiring freeze on all vacant positions. There are presently 558 positions vacant throughout the Agency. It is expected that a total of 775 positions will need to be vacant by January 1, 1993 in order to offset a budget shortfall.

CATEGORY IV: TRAINING

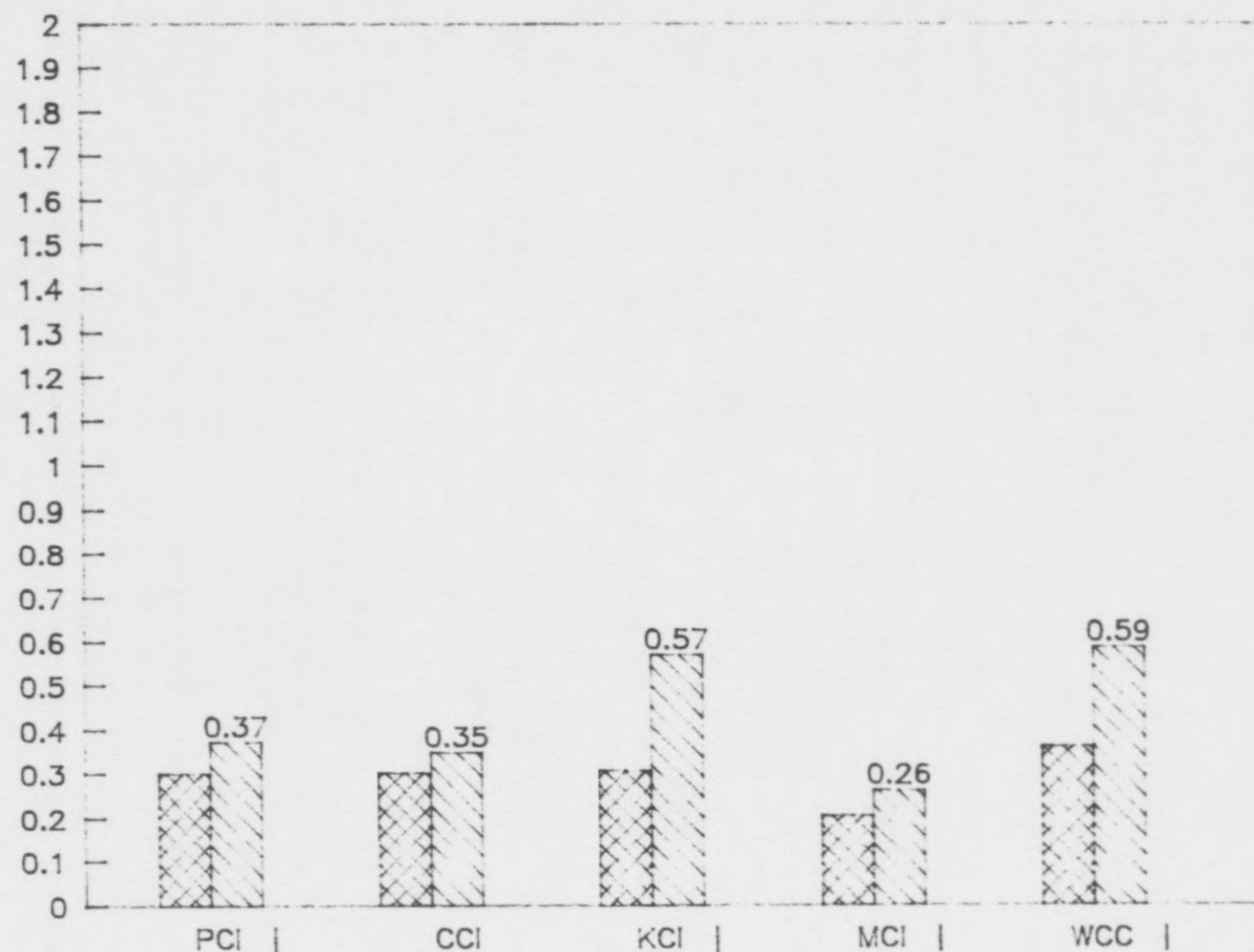
The Decree requires the Department to comply with all ACA Standards (2-4079 through 2-4101), as modified, relative to staff training. To date, SCDC has achieved and/or made a good faith effort to achieve compliance with these issues.

MEDIUM SECURITY INMATE/STAFF RATIOS



January 25, 1983 vs. July 16, 1992

03192

One Inmate Per "X" Staff Member



SCDC MEDIUM SECURITY INSTITUTIONS

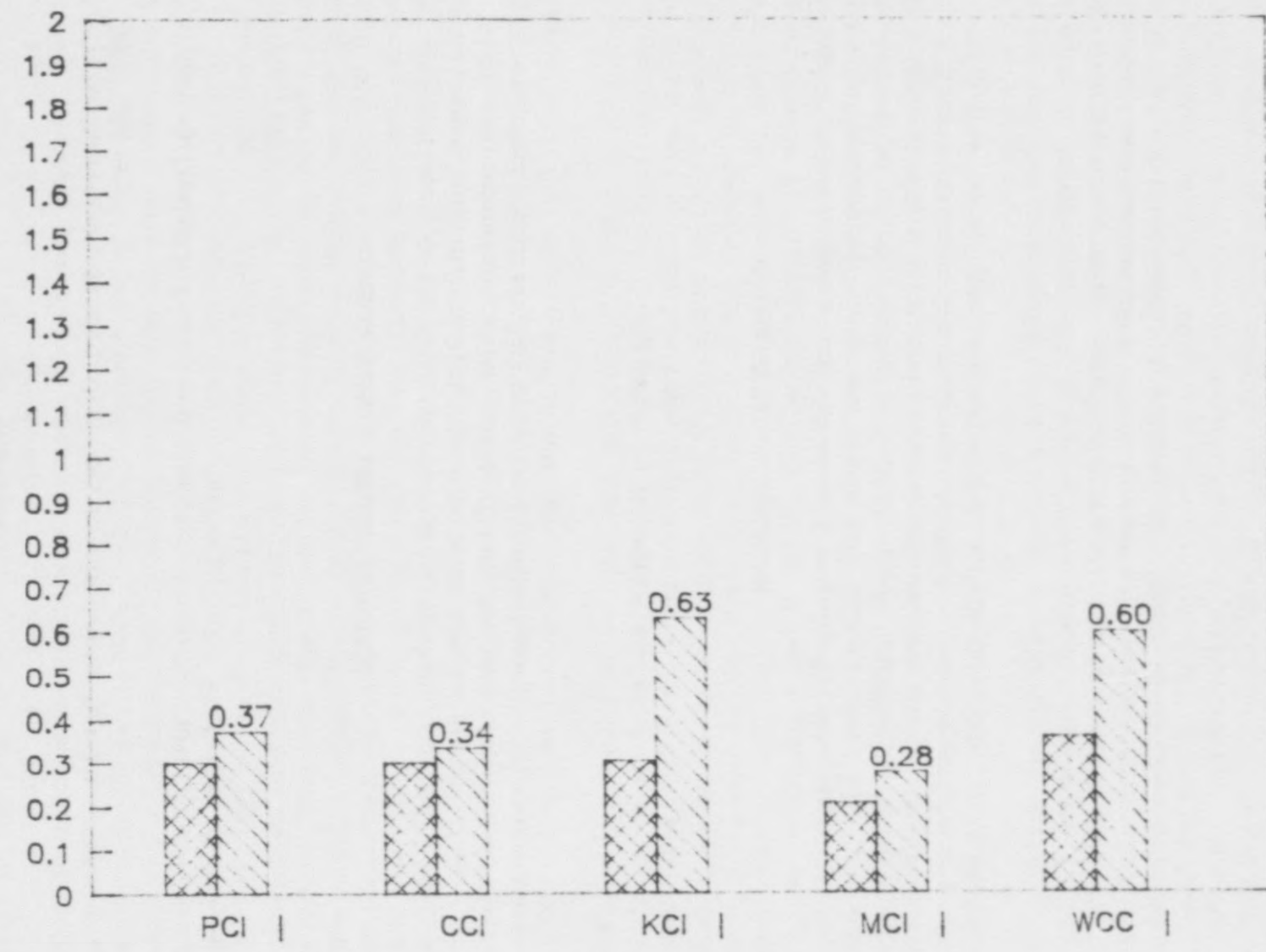
 1/25/83 Ratios  7/16/92 Ratios

03193



MEDIUM SECURITY INMATE/STAFF RATIOS

January 25, 1983 vs. August 16, 1992

One Inmate Per "X" Staff Member



SCDC MEDIUM SECURITY INSTITUTIONS

 1/25/83 Ratios  8/16/92 Ratios

The SCDC sponsors a 40-hour orientation class at the SCDC Training Academy. All new employees hired by the Department are scheduled to attend this course during their first week of employment. During this reporting period, two (2) employees were reported to be in non-compliance with this requirement:

<u>Name</u>	<u>Institution</u>	<u>Training Hours Received</u>
Kimberly Tweed	Dutchman	29.50
Eric Dash	Manning	8.00

These employees are scheduled to return in September to complete their training requirement.

Training requirements have been reported on a calendar-year basis since January 1, 1990. Employees who are in noncompliance with the agreed upon training standards for calendar year 1992 will therefore be reported during first quarter 1993.

CATEGORY V: HEALTH SERVICES

Officials of the Health Services Division conduct quarterly Nelson audits of all institutional health service branches to ensure that compliance is maintained with the terms of the Decree. As of this reporting period, all institutional health service branches have been reported to be in compliance with the requirements and procedures outlined in the Decree.

For additional information concerning this area, please consult the "Twenty-eighth Edition of the Quarterly Report," inasmuch as no substantial change in compliance status has been reported since this last publication.

CATEGORY VI: PROGRAMS

All institutions report that inmates are afforded the opportunity to participate in "meaningful programs" five (5) hours a day, five (5) days a week. General population inmates are being provided the opportunity to attend educational courses at least two evenings per week. Institutions that do not have educational programs offered to inmates in the evening may request a transfer to an institution which offers the same, consistent with security/custody needs.

During this reporting period, there were several instances of non-compliance with the requirement of providing inmates assigned to administrative segregation with 5 hours a week, 5 days a week of outdoor exercise at Perry Correctional Institution. These instances occurred during the months of June-August, 1992, due to security staff shortages that prohibited certain inmates from receiving their walks because they could not be effectively/appropriately supervised. This situation is being corrected to allow additional time for walks for inmates who have not received their appropriate walk time.

03194

As of this reporting period, all legitimate Protective Custody inmates housed for 90 days or more are being provided the opportunity to participate in programs at least five (5) hours per week. Programs offered include work assignments, recreation, social work counseling workshops/session, and certain religious courses/services. Plaintiffs' counsel continue to object to our treatment of Protective Custody inmates housed in the Protective Custody Housing Unit at Allendale Correctional Institution. However, Departmental officials are currently providing all legitimate inmates housed in this Unit with all the benefits and requirements they are entitled pursuant to the terms of the Decree.

CATEGORY VII: LIBRARIES

All institutions with in-house libraries that house Administrative Segregation and Protective Custody inmates, with the exception of Perry Correctional Institution's Reception and Evaluation Center, report compliance in providing comparable access to libraries regardless of the inmate's classification or housing assignment, as reported below:

CIRCULATION STATISTICS NUMBER OF ITEMS CIRCULATED

<u>Inst.</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>TOTAL</u>
ACI	1,321	1,308	388	3,017
BRCI	363	647	647	1,657
CACI	131	253	0	384
CCI	1,524	1,530	1,938	4,992
DCI	499	362	277	1,138
ECI	706	501	374	1,581
KCI	0	0	130	130
LCI	2,463	811	806	4,080
LCIW	26	164	214	404
MCCI	355	275	499	1,129
MCI	516	365	286	1,167
PCI	1,860	1,596	1,676	5,132
WCC	<u>1,098</u>	<u>926</u>	<u>981</u>	<u>3,005</u>
TOTAL	10,862	8,738	8,216	27,816

During the period June-August, 1992, Perry Reception and Evaluation Center was not in compliance with the law library schedule. Corrective action is being taken to ensure that on Tuesdays and Thursdays inmates on the list are allowed the opportunity to visit the law library.

03195

Institutions that do not have in-house library services are provided services by the library bookmobile. Circulation statistics for the bookmobile for the months of June, July and August, 1992, are provided below:

<u>Inst.</u>	<u>Fiction</u>	<u>Non-Fiction</u>	<u>Periodicals/Comics</u>	<u>TOTAL</u>	<u># of Inmate Visits</u>
GCI	249	206	2,887	3,342	1,734
SCI	204	206	3,777	4,187	1,560
SPCC	148	138	2,568	2,854	1,403
WCI	269	249	4,371	4,889	2,312
TOTAL	870	799	13,603	15,272	7,009

The number of books circulated to inmates at Greenwood, Northside and Wateree by means of the "Traveling Library" were as follows:

NUMBER OF BOOKS CIRCULATED

<u>Inst.</u>	<u>June</u>	<u>July</u>	<u>August</u>
GCC*	0	0	0
NCC	0	0	0
WRCI	0	0	0

*GCC officials have chosen not to utilize the "Traveling Library"; therefore, no statistics are provided.

CATEGORY VIII: CLASSIFICATION

Statistics for Serious Incident/Accident Reports are compiled every quarter to ascertain the effectiveness of the AIMS Classification System. Statistics for this quarter and graphs depicting such incidents are attached to this report as APPENDIX B.

On September 9, 1992, the 4th quarterly report for Phase III was submitted to the Compliance Office for review. Information pertaining to the use, types, frequency and percentages of discretionary departure decisions utilized by Departmental officials is attached to this Report as APPENDIX C.

CATEGORY IX: VISITATION

During this reporting period, all institutions maintained compliance with the visitation requirements of the Decree.

CATEGORY X: PHYSICAL RESTRAINTS

During this reporting period, all institutions have maintained compliance with the physical restraint issues outlined in the Decree and all have developed or revised existing institutional policies accordingly.

03196

CATEGORY XI: FIRE SAFETY

All institutions are in compliance with the fire life safety issues as outlined in the Decree.

Mr. Steven D. Vincent, Environmental Quality Manager, continues to serve as a member of the Fire Life and Safety Committee in monthly meetings. This Committee is reviewing all State and City of Columbia Fire Marshal Reports on SCDC institutions, and is responsible for obtaining rulings and/or waivers on certain deficiencies and developing plans to correct the remaining deficiencies at other SCDC institutions.

CATEGORY XII: CONSTRUCTION

1. Efforts to close CCI . . .

The site contract work is in progress and on schedule. The completion date for this project is tentatively October, 1993.

CATEGORY XIII: SANITATION AND HYGIENE/PHYSICAL PLANT/FURNISHINGS

No major compliance problems were noted at any facility during this reporting period. However, it should be noted that during the period June 1-July 31, 1992, Perry Reception and Evaluation Center was not in compliance with the issuance of linens and the washing of laundry in all dormitories. Corrective action is being taken to insure compliance with ACA Standards 2-4263 and 2-4266.

All facilities are in compliance with lighting, plumbing, and temperature level requirements as required by ACA Standards 2-4130 through 2-4132. In addition, all institutions are in compliance with the terms of the Decree relative to furnishing requirements and air flow.

CATEGORY XIV: FOOD SERVICES

The Nelson Decree stipulates that the SCDC Food Services Division must meet the food service standards established by the South Carolina Department of Health and Environmental Control as well as certain ACA Standards. All issues addressed under the "Food Service" section of the Decree are continuously monitored by the Food Service Branch. As of September 8, 1992, SCDC continues to be in compliance with the same.

CATEGORY XV: OTHER ISSUES - THE NELSON COMPLAINT SYSTEM

The following tables summarize Nelson complaint activity for the period June, 1992 through August, 1992. The Compliance Office processed 426 Nelson complaints as follows:

EXHIBIT

NOV 10 1992

1

STATE BUDGET & CONTROL BOARD

03107 9

NUMBER OF NELSON COMPLAINTS PROCESSED
INSTITUTION AND SECTION OF THE DECREE
(June 1, 1992 through August 31, 1992)

Institution	Section of Decree	# Answered By Warden	# Appealed to Reg. Adm. Level	# Appealed to Comm. Level
ALLENDALE	Classification	2	0	0
	Segregation	13	1	0
	Food Service	9	1	0
	Env. Sanitation	23	3	0
	Non-Nelson	21	1	0
	Library Service	6	1	0
	Compliance	1	0	0
	Health Services	6	0	0
	Program Services	3	0	0
BROAD RIVER	Classification	2	1	2
	Env. Sanitation	5	0	0
	Food Service	1	0	0
	Non-Nelson	0	0	1
	Segregation	1	0	0
	Program Service	3	0	0
	Library Service	1	0	0
	Housing	1	0	0
CENTRAL	Restraints	2	0	0
	Classification	6	3	3
	Env. Sanitation	8	0	0
	Food Service	5	0	0
	Segregation	3	0	0
	Health Services	3	1	1
	Non-Nelson	1	6	6
	Library Service	1	0	0
	Staffing	1	0	0
	Visitation	0	1	1
	Program Service	0	2	2
CROSS ANCHOR	Library Service	1	0	0
	Env. Sanitation	1	0	0
	Classification	3	0	0
EVANS	Classification	6	1	0
	Env. Sanitation	2	1	0
	Health Service	7	0	0
	Food Service	3	0	0
	Program Service	1	0	0
	Non-Nelson	1	0	0
	Segregation	1	0	0
	Library Service	1	0	0
	Staffing	1	0	0

NUMBER OF NELSON COMPLAINTS PROCESSED
INSTITUTION AND SECTION OF THE DECREE
(June 1, 1992 through August 31, 1992)

Institution	Section of Decree	# Answered By Warden	# Appealed to Reg. Adm. Level	# Appealed to Comm. Level
KIRKLAND	Program Service	1	1	1
	Env. Sanitation	9	0	0
	Housing	70*	1	0
	Classification	4	2	0
	Non-Nelson	2	0	0
	Segregation	1	0	0
	Compliance	2	0	0
LOWER SAVANNAH	Staffing	1	0	0
	Program Service	1	0	0
	Env. Sanitation	1	0	0
	Food Service	1	0	0
LEATH	Program Service	1	1	0
	Restraints	1	0	0
	Health Services	1	0	0
	Housing	4	0	0
	Segregation	1	0	0
LIEBER	Env. Sanitation	9	0	0
	Classification	1	0	0
	Library Service	2	0	0
	Health Services	1	0	0
	Program Service	1	0	0
	Segregation	3	0	0
	Program Service	5	0	0
MACDOUGALL	Grievance Proc.	2	0	0
	Classification	0	0	1
	Health Services	1	0	0
	Env. Sanitation	3	0	0
MANNING	Housing	4	1	0
	Classification	5	1	0
	Env. Sanitation	2	0	0
	Health Services	1	0	0
	Library Service	2	0	0
MCCORMICK	Program Service	2	0	0
	Library Service	4	3	0
	Food Service	1	0	2
	Segregation	1	1	1
	Classification	1	1	1
	Health Services	3	2	1
	Env. Sanitation	1	0	1
	Non-Nelson	0	0	1

NUMBER OF NELSON COMPLAINTS PROCESSED
INSTITUTION AND SECTION OF THE DECREE
(June 1, 1992 through August 31, 1992)

Institution	Section of Decree	# Answered By Warden	# Appealed to Reg. Adm. Level	# Appealed to Comm. Level
KIRKLAND	Program Service	1	1	1
	Env. Sanitation	9	0	0
	Housing	70*	1	0
	Classification	4	2	0
	Non-Nelson	2	0	0
	Segregation	1	0	0
	Compliance	2	0	0
LOWER SAVANNAH	Staffing	1	0	0
	Program Service	1	0	0
	Env. Sanitation	1	0	0
	Food Service	1	0	0
LEATH	Program Service	1	1	0
	Restraints	1	0	0
	Health Services	1	0	0
	Housing	4	0	0
	Segregation	1	0	0
LIEBER	Env. Sanitation	9	0	0
	Classification	1	0	0
	Library Service	2	0	0
	Health Services	1	0	0
	Program Service	1	0	0
	Segregation	3	0	0
	Program Service	5	0	0
MACDOUGALL	Grievance Proc.	2	0	0
	Classification	0	0	1
	Health Services	1	0	0
	Env. Sanitation	3	0	0
MANNING	Housing	4	1	0
	Classification	5	1	0
	Env. Sanitation	2	0	0
	Health Services	1	0	0
	Library Service	2	0	0
MCCORMICK	Program Service	2	0	0
	Library Service	4	3	0
	Food Service	1	0	2
	Segregation	1	1	1
	Classification	1	1	1
	Health Services	3	2	1
	Env. Sanitation	1	0	1
	Non-Nelson	0	0	1

NUMBER OF NELSON COMPLAINTS PROCESSED
INSTITUTION AND SECTION OF THE DECREE
(June 1, 1992 through August 31, 1992)

Institution	Section of Decree	# Answered By Warden	# Appealed to Reg. Adm. Level	# Appealed to Comm. Level
PERRY	Env. Sanitation	26	0	0
	Housing	21	0	0
	Program Service	8	0	0
	Segregation	14	1	0
	Food Service	4	1	0
	Health Services	12	0	0
	Non-Nelson	4	0	0
	Classification	3	1	0
	Library Service	4	2	0
	Compliance	2	0	0
STEVENSON	Program Service	1	1	0
WATEREE	Program Service	1	0	0
WOMEN'S CENTER	Env. Sanitation	3	1	0
	Program Service	2	0	0
	Grievance Proc.	1	0	0
	Restraints	2	0	0
	Staffing	1	0	0
	Health Service	6	3	0
	Visitation	2	0	0
	Food Service	1	0	0
	Segregation	1	0	0
	TOTAL	426	47	25

*Same complaint filed by 55 inmates regarding non-compliance status of double-celling.

SUMMARY OF COMPLAINTS PROCESSED BY
SECTION OF THE DECREE
(JUNE, 1992 THROUGH AUGUST, 1992)

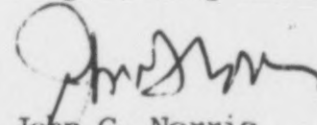
Section of Decree	# Answered By Warden	# Appealed to Reg. Adm. Level	# Appealed to Comm. Level
Non-Nelson	23	6	8
Environmental Sanitation	93	5	1
Food Service	25	2	2
Housing	100	3	0
Classification	33	10	7
Staffing	4	0	0
Health Services	41	6	2
Segregation	39	3	1
Library Service	22	6	0
Restraints	5	0	0
Program Services	25	5	3
Grievance Procedure	3	0	0
Compliance	5	0	0
Visitation	2	1	1
	---	---	---
TOTAL	426	47	25

NOTE: Complaints processed at the Regional Administrators' and Commissioner's level are not necessarily appeals to the above complaints processed at the Warden's level.

CATEGORY XVI: CONCLUSION

This report is submitted pursuant to the requirements of the Decree mandating that quarterly reports on compliance be prepared for submission to the Court, Plaintiffs' counsel, Plaintiffs, the State Budget and Control Board, and the Board of Corrections. The next report will be published for submission January 8, 1993.

Respectfully submitted,



John G. Norris
Office for Legal Settlements
and Compliance

8 day of October, 1992

EXHIBIT

NOV 10 1992

1

STATE BUDGET & CONTROL BOARD

S E C T I O N I I

A P P E N D I C E S

03202

A P P E N D I X A
R E V I S E D N E L S O N C A P A C I T I E S
A S O F O C T O B E R 1, 1 9 9 2

(ONCE ALL CAPITAL IMPROVEMENT PROJECTS ARE COMPLETED)

03203

A P P E N D I X A
REVISED NELSON CAPACITIES

(Once all Capital Improvement Projects are Completed)

Institution -----	Capacity by Living Area -----	Total Nelson Ca -----
Blue Ridge Pre-Release Center		
Pre-Release Dorm	67	
Work-Release Dorm	141	208
Catawba Work Release Center		
Wards 1-7	112	
Ward 8	18	
New Ward	58	188
Cross Anchor Correctional Inst.		
Dorms 1-5	480	
Admin. Segregation	48	528
Dutchman Correctional Inst.		
Dorms 1-5	480	
Admin. Segregation	48	
NEW ADDITION (Completed: 12/91)	96	624
Givens Youth Correctional Center		
Dorm A	21	
Dorm B	20	
Dorm C	24	
Dorm D	24	
Dorm E	26	
Staff Room	8	123
Greenwood Correctional Center		
Ward A	28	
Ward B	30	
Ward C	20	
NEW ADDITION (Completed: 8/89 - Work Camp converted to min. sec. housing in 1/92)	96	174
Livesay Work Release Center		
Dorms A & B	96	96

03204

Northside Correctional Center		
Dorms A, B and C	144	
Dorm D	46	
Barrack	96	
NEW ADDITION (Completed: 8/90 - Work Camp converted to min. sec. housing in 1/92)	96	382
NEW McCORMICK CORRECTIONAL INST.		
Medium Security	1,008	
Admin. Segregation	96	1,104
Perry Correctional Institution		
Dorms 1-4	576	
Admin. Segregation:		
Dorm C	48	
Dorm D	48	672
Perry Reception and Evaluation Center		
Dorm A	48	
Dorm B	48	96
NEW LEATH CORRECTIONAL INSTITUTION (Completed: June, 1991)		
	384	384
SUBTOTAL		----- 4,579
Aiken Youth Correctional Center		
Dorm 1	101	
Dorm 2, 3, and 5	126	
Dorm 4	22	
Dorm 6	24	
Admin. Seg.	2	275
NEW CENTRAL CORRECTIONAL INSTITUTION 1,468 1,468		
(Lee County)		
(Tentative Completion: September, 1993)		
Campbell Work Release Center		
East and West Wings	150	
NEW ADDITION (Completed: September, 1990)	96	246
Goodman Correctional Institution		
Building 1	73	
Building 2	58	
Building 3	66	
Building 4	73	
Barrack	94	364

03205

Kirkland Correctional Institution		
Dorm A-1	96	
Dorm A-2	64	
Dorm A-3	96	
Dorm A-4	96	
Dorm A-5	96	
Dorm A-6	96	
Admin. Segregation	64	
* NEW MAXIMUM SECURITY UNIT (Completed 9/92)	50	658
Lower Savannah Work Release Center		
Dorm A	13	
Dorm B	13	
Dorm C & D	30	
Dorm E	2	
* NEW ADDITION (Completed 6/90)	96	
* NEW WORK CAMP (Completed 3/90)	96	250
Manning Correctional Institution		
Wards 1-6	330	
Admin. Segregation	24	
Barrack	96	
NEW ADDITION (Completed 11/91; work camp beds converted to Gen. Pop.)	192	642
BROAD RIVER RECEPTION/EVALUATION		
Wing 1	96	
Wing 2	96	192
Stevenson Correctional Institution		
Ward 1	14	
Ward 2	55	
Ward 3	17	
Ward 4	32	
Ward 5	38	
Admin. Segregation	12	
NEW ADDITION (Completed May, 1991)	96	264
State Park Correctional Center		
Women's Work Unit	150	
Men's Moncrief Unit	138	
Women's Geriatric/Handicapped Dorm	12	
NEW PALMETTO UNIT	120	420

03206

Walden Correctional Institution		
Ward A	16	
Ward B	41	
Ward C	31	
Ward D	41	
Dorm 1	52	
Barrack	96	277
Wateree River Correctional Inst.		
Ward 1-6	384	
Dorms 1 & 2	192	
Admin. Seg.	6	
Boiler Room	3	
NEW ADDITION (Converted to Shock Incarceration Unit on 1/91)	192	777
Watkins Pre-Release Center		
Dorms 1-3	144	144
Women's Correctional Center		
Cottage 1	37	
Cottage 2	37	
Cottage 3	25	
Cottage 4	37	
Cottage 5	25	
Cottage 6	37	
Cottage 7	37	
Cottage 8 (R&E Unit)	40	
Cottage 9 (A/S Unit)	48	
Shock Incarceration Unit	24	347
BROAD RIVER CORRECTIONAL INSTITUTION		
Medium Security	888	
Handicapped Unit	60	
Admin. Segregation	96	1,044
SUBTOTAL		7,368
Coastal Work Release Center		
Dorm 1	62	
Dorm 2 and 3	96	
NEW ADDITION (Tentative Completion Date: Jan., 1993)	192	350
LIEBER CORRECTIONAL INSTITUTION		
Medium Security	1,004	
Admin. Segregation	96	1,100

03207

EXHIBIT

NOV 10 1992

1

STATE BUDGET & CONTROL BOARD

LIEBER RECEPTION/EVALUATION CENTER		
Reception Unit	96	96
MacDougall Correctional Institution		
Barrack	96	
NEW REPLACEMENT HOUSING	476	572
Palmer Work Release Center		
Dorm 1	100	
NEW ADDITION (Completed 6/91)	96	
NEW WORK CAMP (Completed 6/91)	96	292
EVANS CORRECTIONAL INSTITUTION		
Medium Security	1,005	
Admin. Segregation	96	1,101
ALLENDALE CORRECTIONAL INSTITUTION		
Medium Security	1,003	
Admin. Segregation	96	1,099
TURBEVILLE CORRECTIONAL INSTITUTION		
(Tent. Completion Date: Nov., 1993)	1,130	1,130
RIDGELAND CORRECTIONAL INSTITUTION		
(Tent. Completion Date: Jan., 1994)	1,130	1,130
TRENTON CORRECTIONAL INSTITUTION**		
(Tent. Completion Date: March, 1994)	576	576
LANCASTER CORRECTIONAL INSTITUTION		
(Tent. Completion Date: Jan., 1996)	1,130	1,130

SUBTOTAL		8,576
TOTAL AUTHORIZED NELSON CAPACITY		20,248

* Tentative completion dates as of 8/19/92.

** Trenton Correctional Institution (576 beds) will replace Aiken Youth Correctional Center (275 beds) for a total actual gain of 301 beds.

03208

A P P E N D I X B

S E R I O U S I N C I D E N T R E P O R T S (AIMS)

03209

AIMS QUARTERLY REPORT

May, 1992 - July, 1992

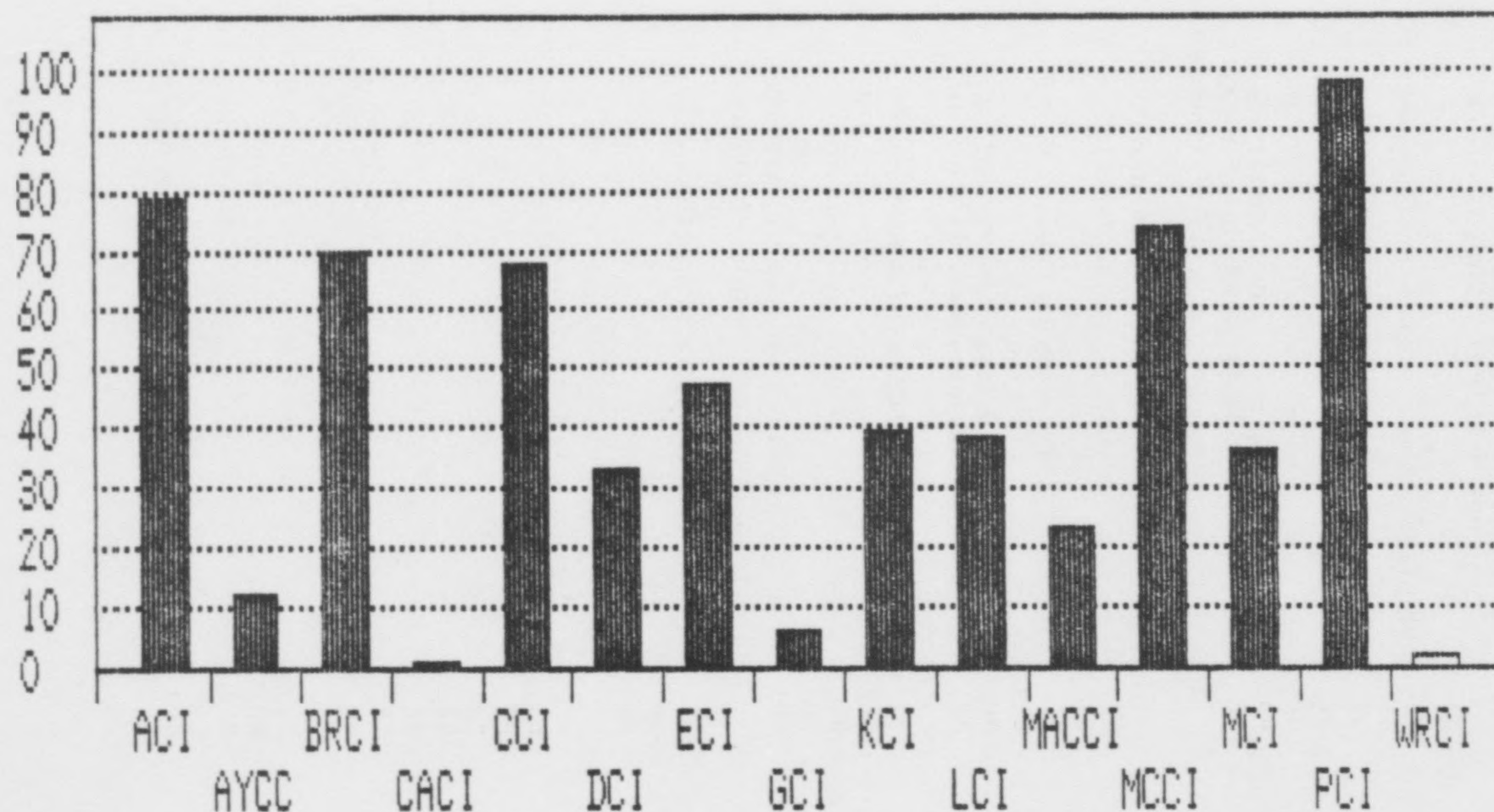
The data analyzed is from disciplinary convictions where the conviction date falls within this quarter in all institutions implementing AIMS. The date the offenses occurred may fall in a previous quarter. All data is generated from the inmate system by RIM.

The validity of the system is supported by the significantly high rate of disciplinary convictions committed by inmates classified in the ALPHA group. Behavior in all incidents is reasonably consistent with the AIMS classification.

The following types of offenses are included in the analysis:

Murder	Threatening Conduct
Voluntary Manslaughter	Extortion
Assault and Battery	Fighting
Battery	Taking a Hostage
Assault with a Weapon	Inciting a Riot
Robbery by Force	Engaging in a Riot
Robbery without Force	Resisting Arrest
Sexual Assault	

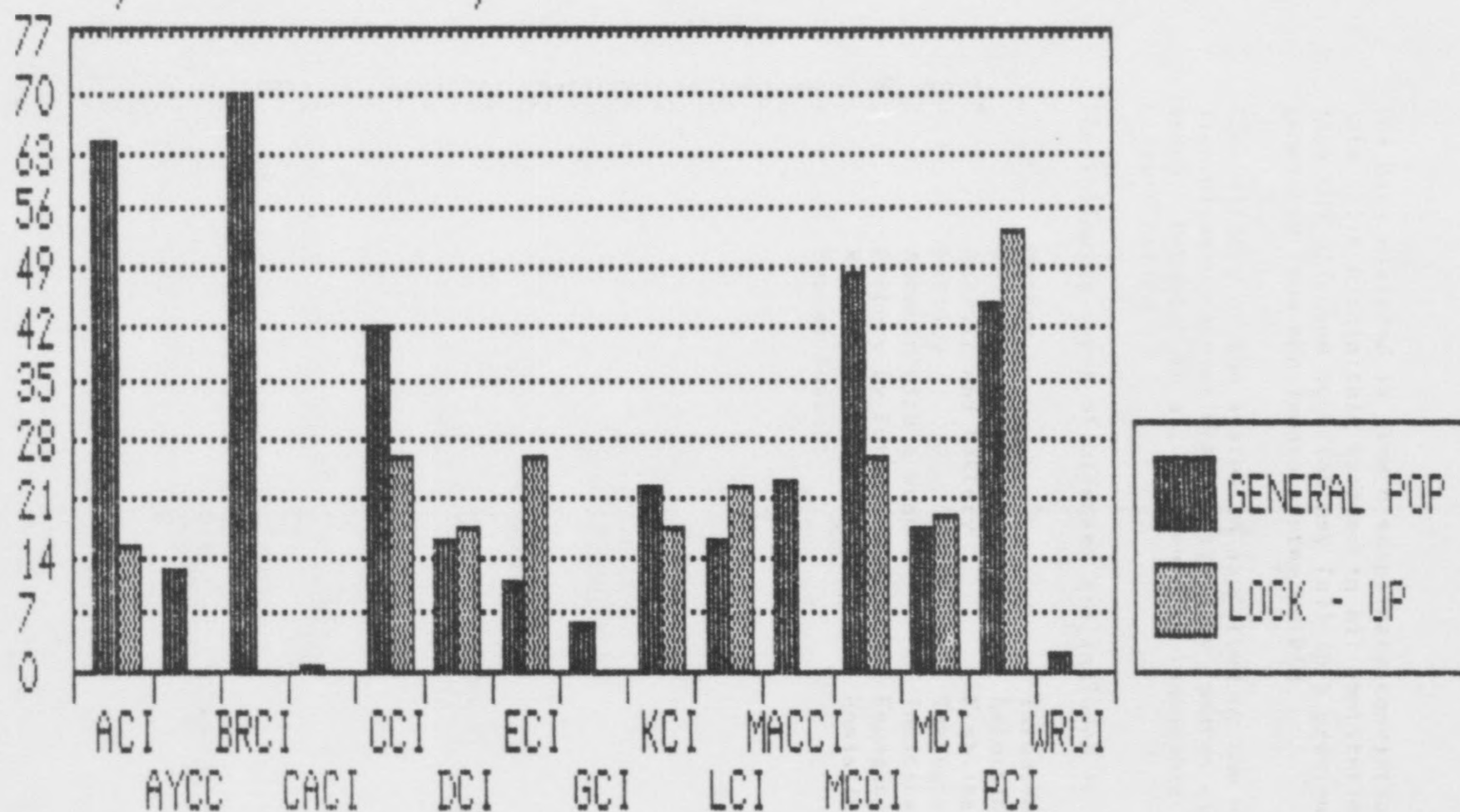
MAY 92-JULY 92 DISPL CONVTS



Data includes all institutions implementing AIMS.

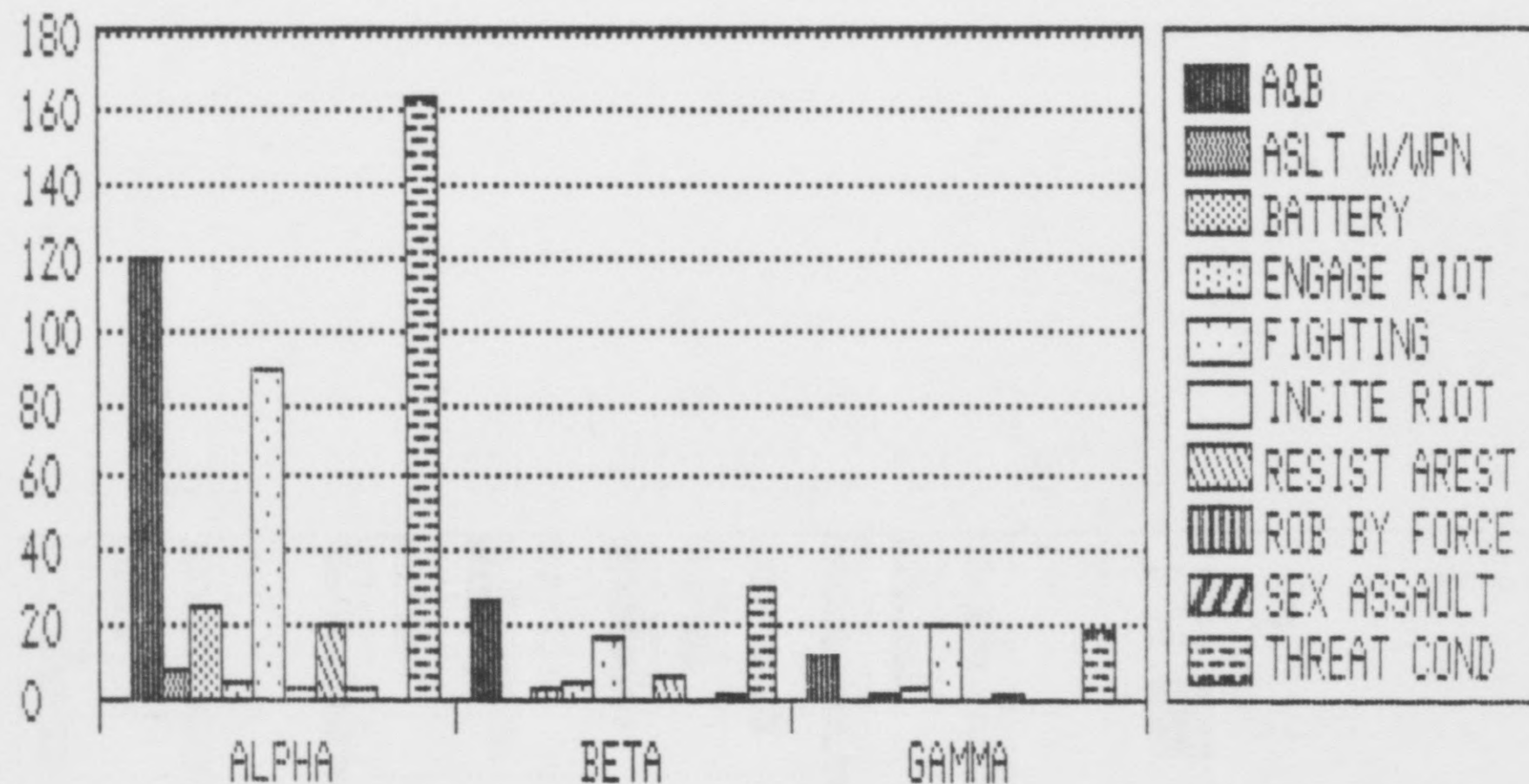
03211

May 92 - July 92 DISPL CONVTS



Data includes all institutions implementing AIMS.

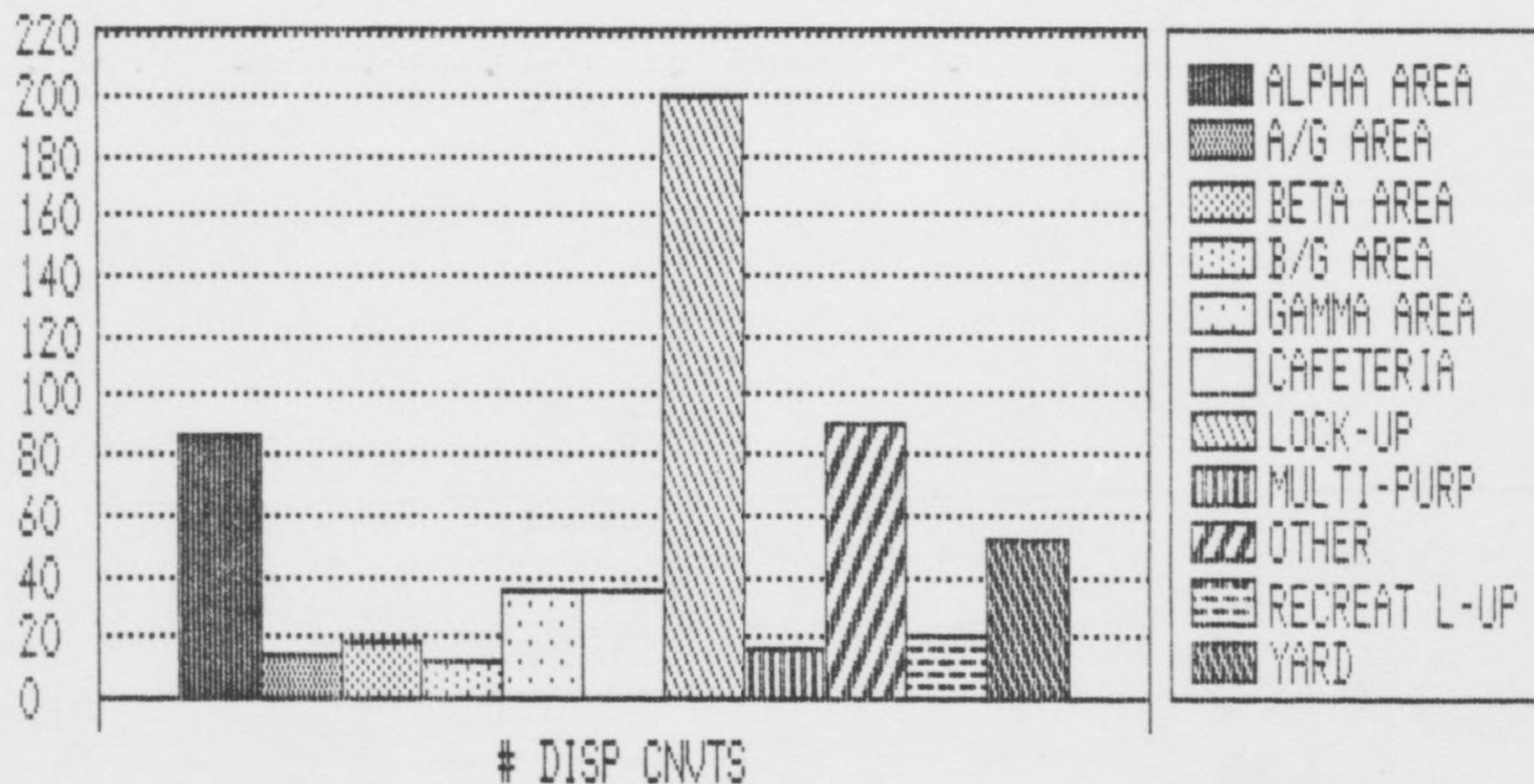
05/92-07/92 DISP CNVTS BY TYPE



Data includes all institutions implementing AIMS.

03213

05/92-07/92 DISP CNVT BY AREA



Data includes all institutions implementing AIMS where twelve or more convictions occurred.

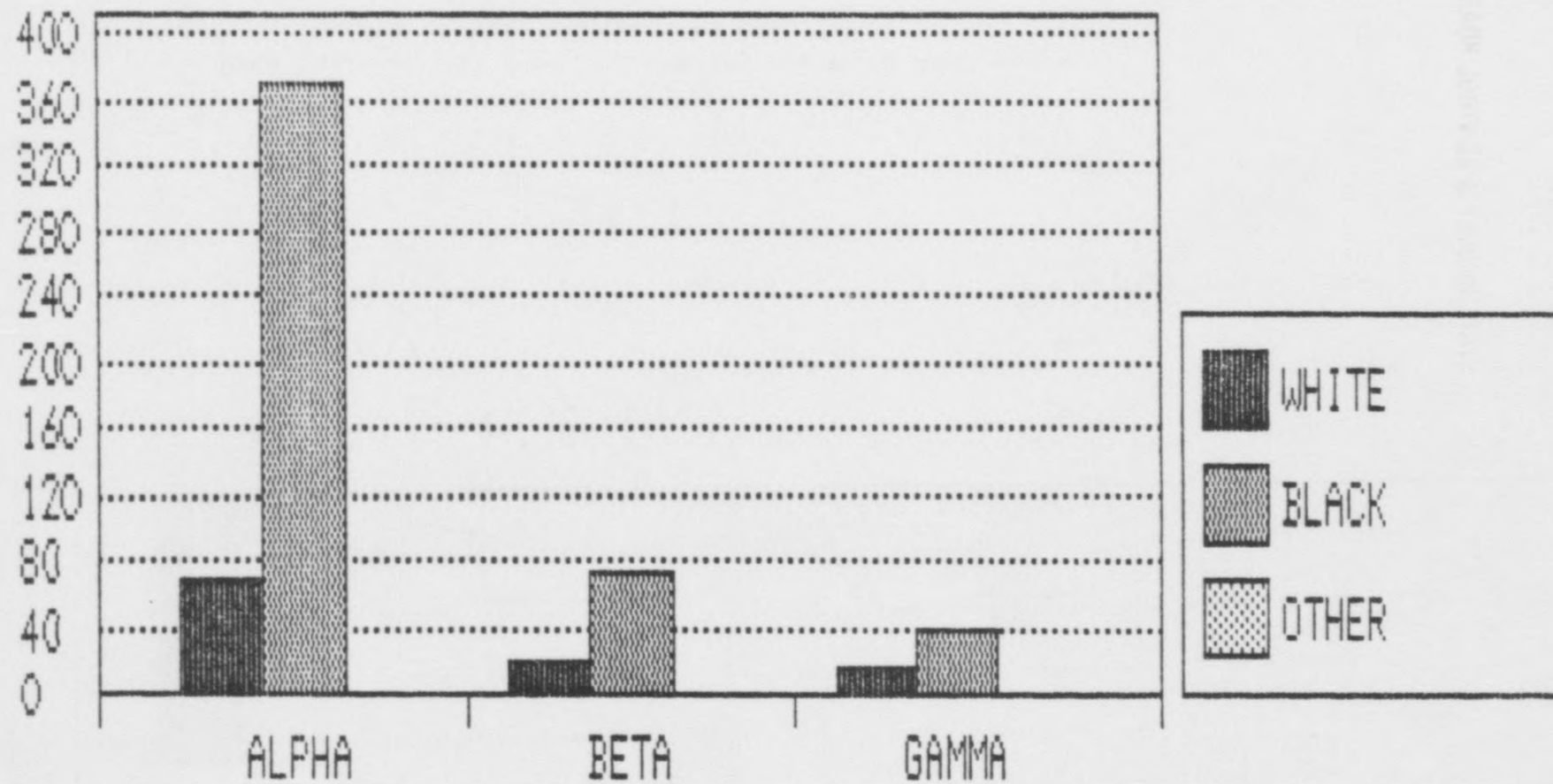
EXHIBIT

NOV 10 1992 11

STATE BUDGET & CONTROL BOARD

03214

05/92-07/92 DISP CNVT BY RACE



Data includes all institutions implementing AIMS.

03215

A P P E N D I X C

P H A S E I I I

4 T H Q U A R T E R L Y R E P O R T

03216

DIVISION OF CLASSIFICATION
PHASE III FOURTH QUARTERLY REPORT
AUGUST 19, 1992

This report is based on information gathered from all recorded Initial and Reclassification actions for the period May 1, 1992 through July 31, 1992 in accordance with the schedule provided by the office of Legal Settlements and Compliance. Reporting procedures for statistics include information for completed reviews only.

INITIAL CLASSIFICATION:

A total of 2607 Initial classification assignments were begun during the reporting period. Of those, 2550 have been completed and 57 were pending. Discretionary classification departure decisions were made in 245 (9.6%) of the completed initial assignments. Of the 245 discretionary departure decisions, 168 (68.6%) used the primary justification of Management Concern. Use of this justification is attributed to the current point cutoff ranges that allow a much larger number of inmates to "score" for lesser security although, as demonstrated by their current and past records, many continue to pose a risk to institutional security and safety. When non-discretionary departures that are governed by classification policy such as Escape History/Risk (n=41) and Detainer - Change in Status (n= 195) are considered, the overall departure rate was 20.78% (530 score departures per 2550 assignments).

In this reporting period, 1077 assignments (42% of all completed assignments) were made using the minimum security screening criteria. This includes 157 assignments that were made using expanded minimum security screening guidelines that were developed to allow certain violent category 3 offenders an opportunity for initial assignment to "A" custody. Additionally, due to limited bedspace availability for newly received inmates, at least 33 initial assignments were modified to allow placement in less restrictive custody based on Agency Bedspace Needs.

Chart #1 provides a description (sex of offender / sentence length) of inmates assigned under minimum security guidelines, including those inmates initially classified using the expanded minimum security screening criteria.

Chart #2 provides a breakdown of the approved initial classification custody and security level placements for this reporting period.

Chart #1

COMPLETED INITIAL REVIEWS MAY 1, 1992 - JULY 31, 1992
 PLACED BY MINIMUM SECURITY INSTRUMENT
 SENTENCE LENGTH DISTRIBUTIONS BY SEX

SENTENCE LENGTH IN YEARS	INMATE'S SEX					
	FEMALE		MALE		TOTAL	
	F	%	F	%	F	%
UNDER 1 YEAR	19	21.84	212	21.41	231	21.45
1	45	51.72	403	40.71	448	41.80
2	13	14.94	135	13.64	148	13.74
3	6	6.90	68	6.87	74	6.87
4	2	2.30	29	2.93	31	2.88
5	1	1.15	81	8.18	82	7.61
6	1	1.15	13	1.31	14	1.30
7	0	0	9	0.91	9	0.84
8	0	0	10	1.01	10	0.93
9	0	0	8	0.81	8	0.74
TEN YEARS OR MORE	0	0	22	2.22	22	2.04
TOTAL	87	100.00	990	100.00	1077	100.00

Chart #2

APPROVED CUSTODIES FOR INITIAL REVIEWS
 MAY 1, 1992 - JULY 31, 1992

	F	%
APPROVED-PLACEMENT-CUSTODY/SECURITY		
AL2	909	35.85
AL3	783	30.71
BL3	318	12.47
BL4	343	13.45
CL4	144	5.65
CL5	53	2.08
TOTAL	2550	100.00

RECLASSIFICATION:

A total of 5164 reclassification reviews were begun during the reporting period. Of those, 4368 have been completed, 474 are in the approval stage, and 322 are still pending. **Discretionary classification departure decisions** were made in 771 (17.65%) of the completed reclassification assignments. Of those 771 discretionary decisions, the justification(s) most frequently cited were: Refusal to Comply With Classification Committee Recommendations (n=358), Agency Bedspace Needs (n=72), SCDC Job Needs (n=36), Exceptional Overall Institutional Adjustment (n=32), and Management Concern (n=47). When **non-discretionary departure decisions** governed by classification policy such as Disciplinary Within the Last 6 Months (n=370), Ineligible for "A" Per Policy (n=184) Detainer/ Change in Status (n=84), Escape History/Risk (n=41), and Adjustment Committee Recommendation (n=20) are considered, the **overall rate of departure was 36.35%** (1588 score departures per 4368 completed assignments).

Bedspace issues, specifically, attempts by the SCDC to meet, or maintain, Plyler v. Evatt housing capacities in certain institutions, continue to be responsible for a large number of discretionary departure decisions in this reporting period. The discretionary codes Bedspace Needs, SCDC Job Needs, and Exceptional Overall Institutional Adjustment were used in over 140 cases to move inmates to less restrictive custody levels. As before, the majority of these custody changes were effected without the benefit of classification committees due to time constraints. (See Phase III First Quarterly Report for additional information).

Below is a breakdown of the completed reclassification instrument custody and security level placements for this reporting period.

STATUS OF REVIEW COMPLETE

	F	%
APPROVED-PLACEMENT-CUSTODY/SECURITY		
AAL2	59	1.35
AL2	744	17.03
AL3	936	21.43
AS	1	0.02
BL3	1444	33.06
BL4	667	15.27
CL4	333	7.62
CL5	172	3.94
ML5	7	0.16
PL5	5	0.11
TOTAL	4368	100.00

03219

EXHIBIT

NOV 10 1992

1

-3-

STATE BUDGET & CONTROL BOARD

NOV 10 1992

2

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 2

AGENCY: Governor's Office

SUBJECT: Public Assistance Payments (FEMA), July-September 1992

The attached reports identify by agency and total amount disbursements of public assistance funds (FEMA) to various State agencies by the Governor's Office during the July-September, 1992, period:

Hugo Disaster Payments	\$1,353,505.79
Adjustments, Month 13	-30,751.17
Flood Disaster Payments	3,312.33

BOARD ACTION REQUESTED:

Receive as information a report of the following disbursements of public assistance funds to various State agencies by the Governor's Office during the July-September, 1992 period: Hugo disaster payments, \$1,353,505.79, and 13th month adjustments, -30,751.17; and flood disaster payments, \$3,312.33.

ATTACHMENTS:

Referenced reports

03220

HUGO DISASTER PAYMENTS TO STATE AGENCIES FOR THE PERIOD JULY - SEPTEMBER 1992.

APPLICANT #	APPLICANT	VOUCHER #	VCHR AMT	AGENCY TOTAL
000-92110	B&C BD IRM	MI1002	\$71,975.37	\$71,975.37
000-92112	B&C BD RESEARCH	MI1003	\$6,236.28	\$6,236.28
000-92014	CLEMSON	MI1001	\$273,752.61	\$273,752.61
000-92107	SC ETV	MI1014	\$13,760.45	\$13,760.45
000-92019	FORRESTRY COMM	MI1005	\$4,983.92	
		MI1009	\$40,569.87	
		MI1018	\$12,590.30	\$58,144.09
000-92130	GOVERNOR'S OFFICE	MI1004	\$52,462.92	
		MI1008	\$6,131.50	
		MI1010	\$70,209.23	
		MI1011	\$9,663.30	
		MI1016	\$80,613.26	
		MI1017	\$9,002.50	\$228,082.71
	MENTAL RETARDATION	MI1015	\$48,379.00	\$48,379.00
075-69055	SC STATE COLLEGE	MI1006	\$4,293.04	\$4,293.04
089-92001	TECH & COMP ED	MI1007	\$19,852.22	\$19,852.22
079-92001	USC COLUMBIA	MI1013	\$610,821.74	\$610,821.74
000-92070	WILDLIFE & MARINE	MI1012	\$18,208.28	\$18,208.28
TOTAL PAYMENTS FOR THE PERIOD JULY - SEPTEMBER 1992.				\$1,353,505.79

EXHIBIT

NOV 10 1992

2

STATE BUDGET & CONTROL BOARD

03221

HUGO DISASTER PAYMENTS TO STATE AGENCIES FOR THE PERIOD MONTH 13 JUNE.
RECORDED IN JULY 1992 FOR FY 92

APPLICANT #	APPLICANT	VOUCHER #	VCHR AMT	AGENCY TOTAL
000-92019	FORRESTRY COMM	MJ0154	(\$4,759.12)	(\$4,759.12)
000-92015	TECH & COMP ED	MI1037	(\$25,992.05)	(\$25,992.05)
TOTAL PAYMENTS FOR THE PERIOD JULY - SEPTEMBER 1992.				(\$30,751.17)

FORRESTRY COMM RETURN OF EXCESS FUNDS

TECH & COMP ED ADJUST FOR DUPLICATE ENTRY REPORTED IN JAN-MARCH PERIOD.

EXHIBIT

NOV 10 1992

2

STATE BUDGET & CONTROL BOARD

03222

FLOOD DISASTER PAYMENTS TO STATE AGENCIES FOR THE PERIOD JULY - SEPTEMBER 1992.

APPLICANT #	APPLICANT	VOUCHER #	VCHR AMT	AGENCY TOTAL
000-92130	GOVERNOR'S OFFICE	HI1001	\$3,312.33	\$3,312.33

TOTAL PAYMENTS FOR THE PERIOD JULY - SEPTEMBER 1992.

\$3,312.33

EXHIBIT

NOV 10 1992

2

STATE BUDGET & CONTROL BOARD

03223

EXHIBIT

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

NOV 10 1992 3
BLUE AGENDA
STATE BUDGET & CONTROL BOARD
ITEM NUMBER 3

AGENCY: Budget Division

SUBJECT: 1992-93 Authorized Personal Service Transfers Report, October

The Budget Division reports that the transfer of 233,890 of personal service funds was approved during October (\$233,305 to other operating expenses and \$585 to equipment).

This brought the total of personal service funds approved for transfer during the fiscal year to \$1,418,734.

BOARD ACTION REQUESTED:

Receive as information a Budget Division report that the transfer of \$233,890 of personal service funds was approved during October to bring the total approved for transfer during the fiscal year to \$1,418,734.

ATTACHMENTS:

Agenda item worksheet and attachment

03224


BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: November 10, 1992

93-31
Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

FY 1992-93 Authorized Personal Service Transfer Report for the Month of October

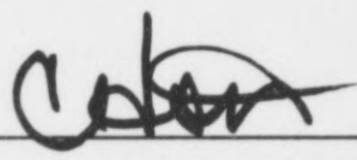
3. Summary Background Information:

The State Budget Division's Report of Fiscal Year 1992-93 Authorized Personal Service Requests for October is attached.

4. What is Board asked to do?

Information only.

5. What is recommendation of Board Division involved?

Information only. 

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Authorized Personal Service Transfer Report for October

(b) List Those Not Attached But Available From Submitter:

EXHIBIT

NOV 10 1992

3

STATE BUDGET & CONTROL BOARD

03225

STATE BUDGET DIVISION
ANALYSIS OF 1992-93 AUTHORIZED PERSONAL SERVICE
TRANSFER REQUESTS

<u>DATE</u>	<u>REQUEST NO.</u>	<u>AGENCY</u>	<u>SOURCE OF FUNDS</u>	<u>FROM PERSONAL SERVICE</u>	<u>TO OTHER OPERATING EXPENSES</u>	<u>EQUIPMENT</u>
	Total Authorized Transfers (22)			\$ 1,184,844	\$ 686,928	\$ 497,916

October
Authorized Transfers

(A) 10/27/92	-	E20 Attorney General	Federal	\$ 16,048	\$ 16,048	
(B) 10/20/92	-	E24 Adjutant General	Federal	2,000	2,000	
(C) 10/01/92	-	H55 Council of Voc. Tec. Ed.	Federal	344	344	
(D) 10/05/92	-	P28 Parks, Rec. & Toursim	Other	189,913	189,913	
(E) 10/06/92	-	R20 Insurance Department	State	25,000	25,000	
(F) 10/08/92	-	R72 Barber Examiner Board	State	585	-	585

Total Authorized Transfers For October (6)	\$ 233,890	\$ 233,305	\$ 585
--	------------	------------	--------

Total Authorized Transfers Year-To-Date (28)	\$ 1,418,734	\$ 920,233	\$ 498,501
--	--------------	------------	------------

NOTE:	<u>Current Month</u>	<u>Year-To-Date</u>
State Funds	\$ 25,585	\$1,166,203
Federal Funds	18,392	23,392
Other Funds	189,913	229,139
TOTAL FUNDS	<u>\$ 233,890</u>	<u>\$1,418,734</u>

Prepared
November 2, 1992

03226

EXHIBIT

NOV 10 1992

4

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 4

AGENCY: Budget Division

SUBJECT: FTE Operating Report, October 1992

The Budget Division reports that a net of 6.50 full-time-equivalent positions (-28.19 state, -21.88 federal and +43.57 other) was deleted from the authorized base during October. This brought the base to a total of 74,993.63 FTE positions.

At the end of the month, 67,460.63 of the authorized positions were filled and 7,533.00 were vacant.

BOARD ACTION REQUESTED:

Receive as information the FTE position operating report for the month of October which shows that a net of 6.50 FTE positions was deleted during the month to bring the base total to 74,993.63 FTE positions of which 67,460.63 were filled and 7,533.00 were vacant.

ATTACHMENTS:

Agenda item worksheet and referenced report

03227

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)


93-32

Meeting Scheduled for: November 10, 1992

Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

FY 1992-93 Authorized FTE Operational Report for October 1992

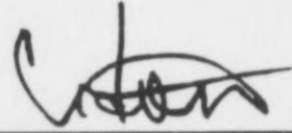
3. Summary Background Information:

The attached report is submitted in accordance with Section 129.34 of the 1992-93 Appropriation Act. The report exempts all Legislative Employees (705.50), Judiciary Employees (449.47), Jobs-Economic Development Authority Employees (114.00) and Savannah Valley Authority Employees (8.00) which total (1,176.97). Attached also is a copy of the year-to-date summary reflecting all authorized adjustments by month.

4. What is Board asked to do?

Information only.

5. What is recommendation of Board Division involved?

Information only. 

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Director's Letter
2. FTE Position Statutory Limitation Report
3. Year-to-Date Monthly Summary FTE Position Authorized Adjustments
4. Authorized FTE Position Operational Report for October 1992

(b) List Those Not Attached But Available From Submitter:

03228

STATE OF SOUTH CAROLINA
State Budget and Control Board
STATE BUDGET DIVISION

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



EDGAR BROWN BUILDING, SUITE 525
1305 PENDLETON STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 734-2280

CHARLES A. BROOKS, JR.
DIVISION DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

November 2, 1992

The Honorable John Drummond, Chairman
Joint Legislative Committee on Personal
Service Financing and Budgeting
111 Gressette Building
Columbia, South Carolina 29201

Dear Senator Drummond:

Attached is a copy of the Fiscal Year 1992-93 Authorized FTE Position Operational Report for October. I have approved and adjusted the Authorized FTE Position Base accordingly.

I have also attached for the Committee's review a copy of the FTE Position Statutory Limitation Report and a copy of the Year-to-Date Monthly Summary FTE Position Authorized Adjustments Report.

If you should have any questions, please feel free to call.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Brooks, Jr.".

Charles A. Brooks, Jr.

CAB/lk

Attachments

03229

EXHIBIT

STATE BUDGET DIVISION
MONTHLY SUMMARY FTE POSITION
AUTHORIZED ADJUSTMENTS TO DATE
10/31/92

NOV 10 1992

4

STATE BUDGET & CONTROL BOARD

	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
Total Appropriated FTE Position Base per 1992-93 Appropriation Act	75,826.80	41,368.21	8,692.33	25,766.26

Monthly Adjustments				

July	350.30	(20.10)	61.70	308.70
August		(1.10)	(3.54)	4.64
September	-	(9.00)	1.00	8.00
October	(6.50)	(28.19)	(21.88)	43.57

Total Net Adjustments	343.80	(58.39)	37.28	364.91

Total Adjusted Appropriated FTE Position Base 10/31/92	76,170.60	41,309.82	8,729.61	26,131.17

Less Exempt:				
Legislative Employees	705.50	703.50	0.00	2.00
Judicial Employees	449.47	449.47		-
Jobs-Economic Dev. Auth. Employees	14.00	6.50	7.50	-
Savannah Valley Auth. Employees	8.00	8.00		-

Total Exempt Employees	1,176.97	1,167.47	7.50	2.00

Total Authorized FTE Position Base 10/31/92	74,993.63	40,142.35	8,722.11	26,129.17
=====				

Prepared
November 2, 1992

03230

STATE BUDGET DIVISION
FTE POSITION STATUTORY LIMITATION REPORT
AS OF OCTOBER 31, 1992

	<u>FTE Positions</u>
1992-93 FTE Position Statutory Limitation	44,467.02
1992-93 Appropriated FTE Positions	<u>41,368.21</u>
Allowable Growth through June 30, 1993	3,098.81
Addition or Deletion:	
1. Authorized 1992-93 Adjustments:	
(a) Operational	<u>(58.39)</u>
Current Unencumbered Working Balance as of October 31, 1992	<u>3,157.20</u>

03231

STATE BUDGET DIVISION
FULL-TIME EQUIVALENT POSITION
OPERATIONAL REPORT
FOR THE MONTH OF OCTOBER 1992

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
	Total Authorized FTE Position Base 9/30/92	75,000.13	40,170.54	8,743.99	26,085.60
	October <u>Authorized Adjustments</u>				
9	State Treasurer's Office	(2.50)	(2.50)	-	-
12	Adjutant General's Office	-	(0.75)	0.75	-
14G	BCB-General Services Div.	-	(7.50)	-	7.50
33	Archives & History	-	(2.00)	-	2.00
54	Youth Services	-	(9.44)	(22.63)	32.07
60	Dept. of Agriculture	(4.00)	(4.00)	-	-
60	Dept. of Agriculture	-	(2.00)	-	2.00
	Total Net Adjustments--October	(6.50)	(28.19)	(21.88)	43.57
	Total Authorized FTE Position Base 10/31/92	74,993.63	40,142.35	8,722.11	26,129.17
	Total Filled FTE Positions 10/31/92	67,460.63	36,981.60	7,498.56	22,980.47
	Total Vacant FTE Positions 10/31/92	7,533.00	3,160.75	1,223.55	3,148.70
	Percent Vacant 10/31/92	10.04%	7.87%	14.03%	12.05%
	Percent Vacant 10/31/91	8.16%	6.39%	13.10%	9.36%
	Percent Vacant 10/31/90	9.33%	8.35%	13.38%	9.61%

Prepared:
November 2, 1992

EXHIBIT

NOV 10 1992

4

STATE BUDGET & CONTROL BOARD

03232

EXHIBIT

NOV 10 1992

5

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 5

AGENCY: General Services

SUBJECT: Easement

The Division of General Services recommends that the Board concur and acquiesce in the granting of the following easement in accord with Code Section 10-1-130:

County Location:	Greenville
From:	Department of Parks Recreation & Tourism
To:	Duke Power Company
Description/Purpose:	Electrical transmission line
Consideration:	\$1.00

BOARD ACTION REQUESTED:

Concur and acquiesce in the referenced easement.

ATTACHMENTS:

Agenda item worksheet; Code Section 10-1-130

63233

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF NOVEMBER 10, 1992

ITEM NUMBER _____

AUTHORIZED OFFICIAL SIGNATURE _____

AGENCY:

General Services

SUBJECT:

Easements

A. The Division of General Services recommends approval of the following easements in accord with Code Sections 1-11-80, 1-11-90, and 1-11-100;

B. The Division recommends that the Board concur and acquiesce in the granting of the following easement in accord with Code Section 10-1-130:

- | | | |
|----|---------------------|--|
| 1. | County Location: | Greenville |
| | From: | Department of Parks Recreation & Tourism |
| | To: | Duke Power Company |
| | Description/purpose | Electrical Transmission Line |
| | Consideration: | \$1.00 |

BOARD ACTION REQUESTED:

- A. Approve the referenced easements as recommended by the Division of General Services.
- B. Concur and acquiesce in the referenced easement.

ATTACHMENTS:

1. Code Sections

EXHIBIT

NOV 10 1992

5

STATE BUDGET & CONTROL BOARD

03234

"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution."

§ 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

HISTORY: 1962 Code § 1-357.1; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

§ 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

HISTORY: 1962 Code § 1-357.2; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

§ 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357.3; 1963 (53) 177.

Cross References—

As to authority of State institutions and agencies to grant easements and rights of way, see § 10-1-130.

Research and Practice References—

63A Am Jur 2d, Public Lands § 115.

73B CJS, Public Lands §§ 178, 180.

17 Am Jur Legal Forms 2d, States, Territories, and Dependencies § 239:21 (agricultural lease-provision-reservation of right to grant easements).

§ 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177.

Cross references—

As to composition, powers and duties of State Budget and Control Board generally, see Chapter 11 of Title 1.

As to the State Budget and Control Board, generally, see §§ 1-11-10 et seq.

As to execution of conveyances of such easements, see § 1-11-100.

§ 25-1-1660. Transfer of surplus armories to political subdivisions.

The State Budget and Control Board may transfer to a political subdivision ownership of a national guard armory being replaced and declared surplus if the political subdivision has donated real property for use as a site for a replacement armory.

HISTORY: 1985 Act No. 201, Part II, § 12, eff June 20, 1985.

EXHIBIT
NOV 10 1992
STATE BUDGET & CONTROL BOARD

03235

Project No. _____
Drawn By _____STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLEKNOW ALL MEN BY THESE PRESENTS, That S.C. PARKS, RECREATION AND TOURISM

hereinafter called "Grantor" (whether one or more), in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, does hereby grant unto DUKE POWER COMPANY, its successors and assigns, hereinafter called "Grantee", the right, privilege and easement to go in and upon that certain land of Grantor (hereinafter "premises") situated in said County and State, bounded by lands of:

AS SHOWN ON THE ATTACHED PLAT
CEASARS HEAD STATE PARK

and over and across said premises within a right-of-way strip having a width of 15 feet on each side of a centerline determined by the centerline of the electrical facilities as installed, to (check applicable):

☒ construct, maintain and operate with poles, crossarms, wires, guys, anchors, cables, transformers and other necessary apparatus and appliances, overhead lines for the purpose of transporting electricity and for the communications purposes of Grantee and regulated telephone utilities. The following rights are also granted to Grantee: to enter said premises to inspect said lines, to perform necessary maintenance and repairs, and to make alterations and additions thereto; to remove from the right of way strip, now or at any time in the future, trees, structures or other obstructions that may endanger the proper maintenance and operation of said lines and trees of any species that Grantee determines will grow at maturity to a height that will endanger the proper maintenance and operation of said lines; to trim or remove and to keep trimmed or removed dead, diseased, weak or leaning trees or limbs outside of the right of way strip which, in the opinion of Grantee, might interfere with or fall upon the electric or communication facilities within the right of way strip; and to install guy wires and anchors extending beyond the limits of the right of way strip when determined necessary by Grantee.

☐ construct, maintain and operate underground lines and conduits with other necessary apparatus and appliances, either above ground or below ground, to include transformers and service connections, for the purpose of transporting electricity and for the communications purposes of Grantee and its licensees. The following rights are also granted to Grantee: to enter said premises to inspect said lines, to perform necessary maintenance and repairs, and to make alterations and additions thereto; and to clear the land within the right of way strip and to keep it clear of trees, structures or other obstructions; and to clear that land outside the right-of-way strip within ten feet of the service door of any transformer or cabinet located within the right-of-way strip and to keep the area within ten feet of said door clear of trees, structures or other obstructions. All underground facilities are to be installed in accordance with the provisions of Grantee's Underground Distribution Installation Plan, SCPSC Docket No. 87-275-E, Order No. 87-568, receipt of a copy of which is acknowledged by grantor.

This right-of-way is given to permit the construction of electrical facilities presently proposed. Facilities at other locations and future extensions of presently constructed facilities are not permitted by this agreement. The foregoing notwithstanding, Grantee may relocate its electrical facilities and right-of-way strip over the premises to conform to any future highway or street relocation, widening or improvement.

03236

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this 6 day of OCTOBER, 19 92.

By John W. Lawrence (Corporate Name) Parks Recreation _____ (SEAL)
& Tourism _____ (SEAL)
President Executive Director _____ (SEAL)

Signed, Sealed and Delivered in the
Presence of:

STATE OF SOUTH CAROLINA, _____ COUNTY

Personally appeared before me _____ and made oath that _____ he saw the within named
_____ sign, seal and as _____ act and deed deliver the within written instrument, and that
_____ with _____ witnessed the execution thereof.

Sworn to me this _____ day of _____,
A.D., 19 _____.

My Commission Expires _____

Notary Public

STATE OF SOUTH CAROLINA, _____ COUNTY

Personally appeared before me _____ and made oath that _____ he saw the within named
_____, a corporation, by _____, _____ President, sign, seal and as
its act and deed deliver the within written instrument, and that _____ he with _____ witnessed
the execution thereof.

Sworn to me this _____ day of _____,
A.D., 19 _____.

My Commission Expires _____

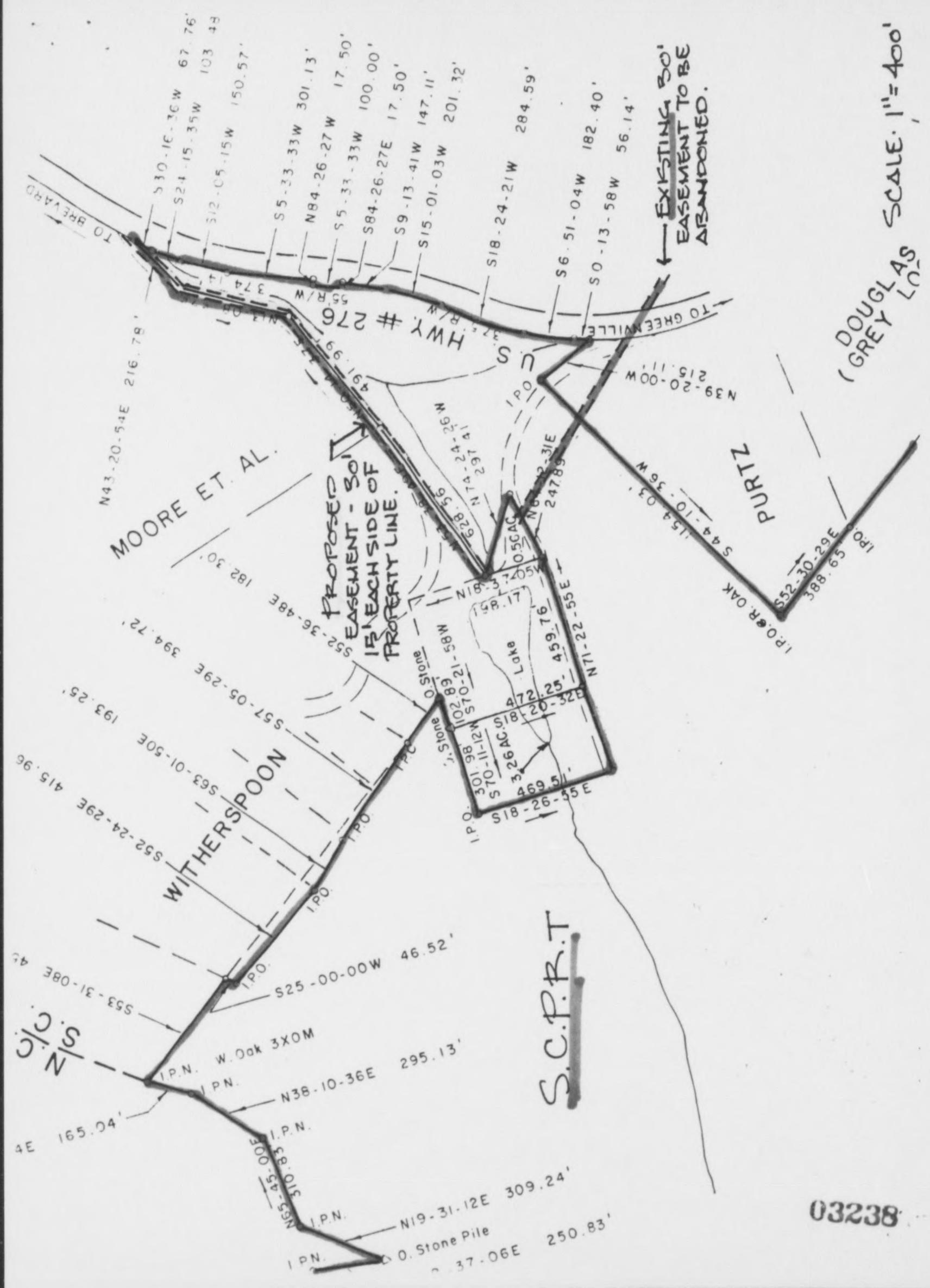
Notary Public

In accordance with provisions of 1-11-65 and 10-1-130 Code of Laws of SC, as amended,
at its meeting held on November 10, 1992 approval is given by the
STATE BUDGET AND CONTROL BOARD to the easement granted herein.

s/ Donna K. Williams
Donna K. Williams
Secretary to the Board

Filed this _____ day of _____, A.D., 19 _____ and recorded in Book _____ Page _____ Fee \$ _____

03237



DOUGLAS GREY
SCALE: 1"=400'

S.C.P.R.T

03238

EXHIBIT

NOV 10 1992

6

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 6

AGENCY: General Services

SUBJECT: Division of Insurance Services, Procurement Certification

The Division of General Services, in accord with Section 11-35-1210, has audited the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management and recommends its certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of five (5) years: Employee Insurance Programs, Unlimited.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant procurement certification to the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of five (5) years: Employee Insurance Programs, Unlimited.

ATTACHMENTS:

Agenda item worksheet and attachment

03239

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

November 10, 1992

☒ Blue Agenda
☐ Regular session
☐ Executive session

1. Submitted by: (a) Agency: Division of General Services
(b) Authorized Official Signature: Richard W. Kelly, Director
Richard W. Kelly
2. Subject: Procurement Recertification of the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section

3. Summary Background Information:

In accordance with Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited the Division of Insurance Services, Insurance Benefits Management Section's procurement system and recommends its recertification within the parameters described in the audit report for the following category for a period of five (5) years:

Employee Insurance Programs

Unlimited

4. What is Board asked to do?

Grant procurement recertification for the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section by approval of the Blue Agenda.

5. What is recommendation of Board division involved?

Grant recertification by approval of the Blue Agenda

6. Recommendation of other office (as required)?

Office Name _____	Authorized Signature _____
-------------------	----------------------------

7. Supporting Documents:

List those attached:

List those not attached but available:

-Section 11-35-1210 of the Consolidated Procurement Code

03240

Section 11-35-1020. Advisory Groups.

The chief procurement officers may appoint advisory groups such as user committees to assist with respect to specifications and procurement in specific areas and with respect to any other matters within the authority of the chief procurement officers. The chief procurement officers shall develop methods for obtaining necessary and relevant information from the affected agencies, whether through user committees or by surveys and other methods. The chief procurement officers shall make every reasonable effort to ensure that such contracts are developed as will best suit the interest of the State, giving due emphasis to user needs, total costs and open competitive methods of public purchasing.

Section 11-35-1030. Procurement Training and Certification.

The Division of General Services shall develop a system of training for procurement in accordance with regulations by the board. Such training shall compass the latest techniques and methods of public procurement. If deemed appropriate by the Division of General Services, such training shall include a requirement for certification of the procurement officer of each purchasing agency.

SUBARTICLE 9**Auditing and Fiscal Reporting****Section 11-35-1210. Certification.**

(1) **Authority.** The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

(2) **Policy.** Authorizations granted by the board to a governmental body are subject to the following:

- (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
- (b) responsiveness to user needs;
- (c) obtaining of the best prices for value received.

(3) **Adherence to Provisions of the Code.** All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

Section 11-25-1220. Collection of Data Concerning Public Procurement.

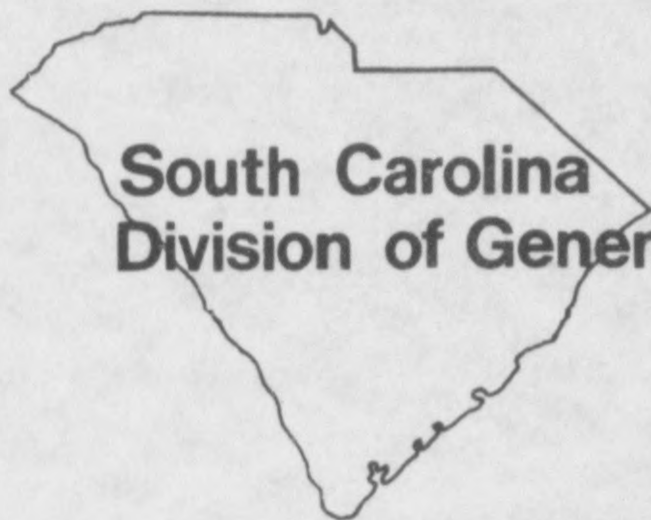
The Division of General Services shall prepare statistical data concerning the procurement, use and disposition of all supplies, services and construction. All using agencies shall furnish such reports as the Division of General Services may require concerning use, needs and stocks on hand, and the chief procurement officers shall prescribe forms to be used by the using agencies in requisitioning, ordering and reporting supplies, services and construction. The chief procurement officers shall limit requests for information to those items necessary for the effective operation of the purchasing system, but using agencies shall be required to provide information as requested.

Section 11-35-1230. Auditing and Fiscal Reporting.

(1) **Auditing.** The Division of General Services through consultation with the chief procurement officers shall develop written plans for the auditing of state procurements.

In procurement audits of governmental bodies thereafter, the auditors from the Division of General Services shall review the adequacy of the system's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. Any noncompliance discovered through audit must be transmitted in management letters to the audited governmental body, the Budget and Control Board. The auditors shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations of the Division of General Services the board may revoke certification as provided for in Section 11-35-1210 and require the governmental body to make all procurements through the office of materials management above a dollar limit set by the board until such time as the board is assured of compliance with this code and its regulations by that governmental body.

(2) **Fiscal Reporting.** Beginning with the first quarter of fiscal year 1981-82 and each quarter thereafter, in



**South Carolina
Division of General Services**

PROCUREMENT AUDIT AND CERTIFICATION

**BUDGET AND CONTROL BOARD
DIVISION OF INSURANCE SERVICES
INSURANCE BENEFITS MANAGEMENT SECTION
AGENCY**

**DECEMBER 1, 1989 - JULY 31, 1992
DATE**

03242

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

RICHARD W. KELLY
DIVISION DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

EXHIBIT

NOV 10 1992

6

STATE BUDGET & CONTROL BOARD

October 26, 1992

Mr. Richard W. Kelly
Director
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Rick:

I have attached the final Budget and Control Board Division of Insurance Services Insurance Benefits Management Section procurement audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the Division a five (5) year certification as outlined in the audit report.

Sincerely,

James J. Forth, Jr.
Assistant Division Director

JJF/jj

Attachment

03243

BUDGET AND CONTROL BOARD
DIVISION OF INSURANCE SERVICES
INSURANCE BENEFITS MANAGEMENT SECTION
PROCUREMENT AUDIT REPORT
DECEMBER 1, 1989 - JULY 31, 1992

03244

TABLE OF CONTENTS

	<u>PAGE</u>
Transmittal Letter.....	1
Scope.....	3
Results of Examination.....	4
Certification Recommendation.....	5
Division Response.....	6

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

RICHARD W. KELLY
DIVISION DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

October 23, 1992

Mr. James J. Forth, Jr.
Assistant Division Director
Division of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Jim:

We have examined the procurement policies and procedures of the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section for the period December 1, 1989 - July 31, 1992. As part of our examination, we studied and evaluated the system of internal control over procurement transactions to the extent we considered necessary.

The evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and internal procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of the Division of Insurance Services, Insurance Benefits Management Section is responsible for

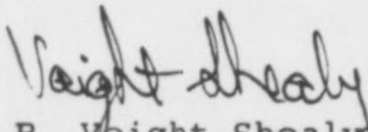
03246

establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions, as well as our overall examination of procurement policies and procedures, were conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

We noted no exceptions and found the Division of Insurance Services, Insurance Benefits Management Section, to be in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.


R. Voight Shealy, CFE, Manager
Audit and Certification

03247

SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of the Division of Insurance Services, Insurance Benefits Management Section, and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions.

Our audit was limited to the review of procurement activity attributed to the various employee insurance programs administered by the Insurance Benefits Management Section for the period December 1, 1989 - July 31, 1992. It did not include a general review of all procurement activity. As specified in the Consolidated Procurement Code and related regulations, our review of the system included, but was not limited to, the following areas:

- (1) adherence to provisions of the South Carolina Consolidated Procurement Code and accompanying regulations
- (2) adequate audit trails
- (3) evidences of competition
- (4) source selections
- (5) file documentation of procurements
- (6) economy and efficiency of the procurement process

RESULTS OF EXAMINATION

We reviewed all contract solicitations covering the audit period for employee insurance programs. This review amounted to six different contract solicitations. Additionally, we reviewed the system of internal controls over the employee insurance contract solicitations through testing and inquiry. Also, we reviewed the procurement policies and procedures manual. The results of these reviews revealed no audit exceptions.

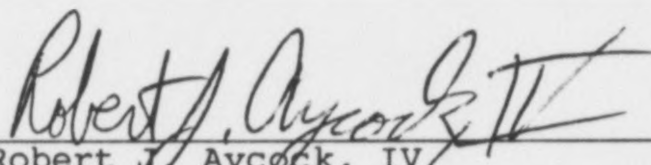
03249

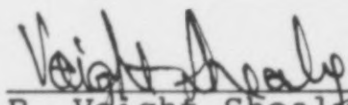
CERTIFICATION RECOMMENDATION

Under the authority described in Section 11-35-1210 of the South Carolina Consolidated Procurement Code, we recommend the Budget and Control Board, Division of Insurance Services, Insurance Benefits Management Section be recertified to make direct agency procurements for five years as follows:

<u>Procurement Area</u>	<u>Recommended Certification Limit</u>
Employee Insurance Programs	Unlimited

NOTE: Five year certification is being recommended to run concurrent with five year contract time periods.


Robert J. Aycock, IV
Audit Supervisor


R. Voight Shealy, CFE, Manager
Audit and Certification

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF INSURANCE SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

POST OFFICE BOX 11696
1201 MAIN STREET, SUITE 350
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0065

JAMES E. BENNETT, CPCU
DIVISION DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

October 1, 1992

R. Voight Shealy, Manager
Audit and Certification
Materials Management Office
Division of General Services
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Response to audit report for insurance benefits procurements

Dear Voight:

We concur in your opinion that no exit conference is necessary for the report mentioned above. We are pleased that your examination of the six contract solicitations during the period revealed no audit exceptions, and appreciate your recommendation for recertification. The Division of Insurance Services will continue to be committed to a contract solicitation process for its benefits programs in complete accordance with State procurement guidelines and procedures.

Sincerely,

James E. Bennett, CPCU
Director
Division of Insurance Services

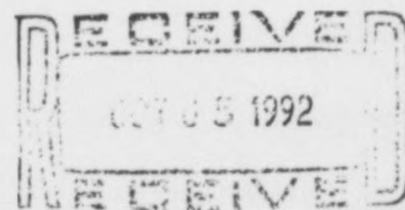
EXHIBIT

NOV 10 1992

6

STATE BUDGET & CONTROL BOARD

Total Copies Printed - 33
Unit Cost - .84
Total Cost - 27.72



EXHIBIT

NOV 10 1992

7

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 7

AGENCY: General Services

SUBJECT: 1991-92 Sole Source and Emergency Procurements

In accord with Code Section 11-35-2440, the Division has prepared the annual report of agencies' sole source and emergency procurements for the July 1, 1992, through June 30, 1992, period.

BOARD ACTION REQUESTED:

Receive as information the annual report of agencies' sole source and emergency procurements for 1991-92, prepared in accord with Code Section 11-35-2440.

ATTACHMENTS:

Agenda item worksheet; § 11-35-2440; 1991-92 Annual Report of Sole Source and Emergency Procurements; Analysis of 1991-92 Sole Source Procurement Activity

03252

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

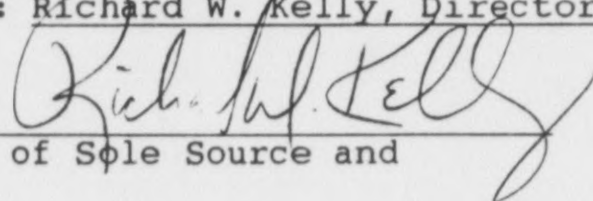
November 10, 1992

☒ Blue Agenda

☐ Regular session

☐ Executive session

1. Submitted by: (a) Agency: Division of General Services
(b) Authorized Official Signature: Richard W. Kelly, Director



2. Subject: FY 1991-92 Annual Report of Sole Source and
Emergency Procurements

3. Summary Background Information:

The Consolidated Procurement Code Section 11-35-2440 requires submission of an annual report of agencies' sole source and emergency procurements to the Budget and Control Board. Attached is the report for the period July 1, 1991 through June 30, 1992.

4. What is Board asked to do?

Report is presented as information only

5. What is recommendation of Board division involved?

N/A

6. Recommendation of other office (as required)?

N/A

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

List those not attached
but available:

- Section 11-35-2440
- FY 1991/92 Annual Report of Sole Source and Emergency
Procurements
- Analysis of FY 1991/92 Sole Source Procurement Activity

03253

Contracts, Determination Prior to Use) shall be final and conclusive unless they are clearly erroneous, arbitrary, capricious or contrary to law. The chief procurement officers shall review samples of such determinations periodically and issue reports and recommendations on the appropriateness of the determinations made.

Section 11-35-2420. Reporting of Anticompetitive Practices.

When any information or allegations concerning anticompetitive practices among any bidders or offerors, come to the attention of any employee of the State, immediate notice of the relevant facts shall be transmitted to the Attorney General.

Section 11-35-2430. Retention of Procurement Records.

All procurement records of governmental bodies shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the Department of Archives and History after consultation with the Attorney General. All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt therefor.

Section 11-35-2440. Records of Procurement Actions.

(1) **Contents of Records.** Any governmental body as defined in Section 11-35-310(18) shall submit quarterly a record listing all contracts made under Section 11-35-1560 (Sole Source Procurement) or Section 11-35-1570 (Emergency Procurements) to the chief procurement officers. The record shall contain:

- (a) each contractor's name;
- (b) the amount and type of each contract;
- (c) a listing of supplies, services or construction procured under each contract.

The chief procurement officers shall maintain these records for five years.

(2) **Publication of Records.** A copy of the record shall be submitted to the board on an annual basis and shall be available for public inspection.

ARTICLE 7

Specifications

SUBARTICLE 1

Definitions

Section 11-35-2610. Definitions of Terms Used in this Article.

As used in this article, the term "specifications" means any technical or purchase description or other description of the physical or functional characteristics, or of the nature of a supply, service or construction item. It may also include a description of any requirement for inspecting, testing or preparing a supply, service or construction item for delivery.

SUBARTICLE 3

Specifications

Section 11-35-2710. Issuance of Specifications; Duties of the Board.

The board shall promulgate regulations governing the preparation, maintenance and content of specifications for supplies, services and construction required by the State.

Section 11-35-2720. Duties of the Chief Procurement Officer and the Using Agencies.

The chief procurement officers shall prepare or review, issue, revise and maintain the specifications for supplies, services and construction required by the State, except for supplies, services and construction items procured by the governmental bodies pursuant to Sections 11-35-1550, 11-35-1570 and 11-35-3230, the specification for which shall be prepared and maintained by the using agencies in accordance with the provisions of this article and regulations

Statewide Sole Source
Fact Sheet
FY 91/92

1 - Total Sole Sources	\$114,330,837
Increase	14,960,555
% Increase	15.1%
Fifth Largest Increase	

2 - Reasons For Sole Source Increase

- Compatability of equipment
- Equipment maintenance agreements
- Grant funded programs requiring specified procurements
- New programs and technology
- Expansion of existing programs
- Interagency sole sources previously done as interagency agreements, \$13,078,305 for FY 91/92

3 - Main Agencies Contributing to the Increase

- Continuum of Care
- MUSC
- Clemson
- Probation, Parole and Pardon Services

These four agencies accounted for 95% of the statewide increase. DSS and the Highway Department showed substantial decreases in sole source activity.

4 - Primary Types of Sole Source Increases

- Services, Personal
- Computer Equipment and Accessories
- Hospital Equipment - Invalid

Sole sources for services-non-personal, services-consultants and hospital sundries went down significantly.

5 - Testing

Outside routine audits, we performed preliminary, interim and special reviews of \$56,725,503 sole sources of selected agencies.

03255

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

RICHARD W. KELLY
DIVISION DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

M E M O R A N D U M

TO: Richard W. Kelly, Director
Division of General Services

FROM: Voight Shealy, Manager *Voight*
Audit and Certification

SUBJECT: Analysis of Fiscal Year 1991/92
Sole Source Procurement Activity

DATE: October 26, 1992

The Office of Audit and Certification has analyzed statewide sole source procurements for fiscal year 1991/92. Primarily, we compared fiscal year 1990/91 activity with that of fiscal year 1991/92 for the purpose of determining the status and direction of statewide sole source growth. Information was gathered from the Annual Report on Sole Source and Emergency Procurements and Trade-in Sales for the period July 1, 1991 through June 30, 1992 and the Sole Source Reports by Commodity as prepared by the Materials Management Office for the same period.

Sole Sources increased from \$99,370,282 during fiscal year 1990/91 to \$114,330,837 during fiscal year 1991/92, an increase of \$14,960,555, the third largest dollar increase ever. This 15.1% increase represents the fifth largest single year percentage increase.

The increase is due primarily to the following reasons:

- 1 - compatibility of equipment
- 2 - equipment maintenance agreements
- 3 - grant funded programs requiring specified procurements
- 4 - new programs and technology
- 5 - expansion of existing programs
- 6 - interagency sole sources previously done as interagency agreements

03256

The accompanying report is divided into three schedules as follows:

- I. Recap of Statewide Totals By Fiscal Year
- II. Comparative Analysis by Agency
(Activity > \$1 million)
- III. Comparative Analysis by Commodity Code
- IV. Status of Audits of Major Contributors

Attachment

Statewide Sole Source Procurements
Recap of Statewide Totals by Fiscal Year

<u>Fiscal Year</u>	<u>Purchase Orders</u>	<u>Dollars</u>	<u>Increase</u>	<u>Percent</u>
1982/83	5,006	\$22,206,840	(1)	(1)
1983/84	6,391	31,956,378	\$ 9,749,538	43.9%
1984/85	6,986	48,262,383	16,306,005	51.0%
1985/86	7,603	50,990,860	2,728,477	5.7%
1986/87	6,545	52,057,599	1,056,740	2.1%
1987/88	10,442	64,939,696	12,882,097	24.7%
1988/89	9,311	73,525,197	8,585,501	13.2% (2)
1989/90	11,332	93,693,725	20,168,528	27.4% (3)
1990/91	11,672	99,370,282	5,676,557	6.1% (4) (5)
1991/92	11,902	114,330,837	14,960,555	15.1% (6)

- (1) First full year of sole source procurement reports. Reliable information was not captured prior to fiscal year 1982/83.
- (2) First full year that interagency agreements would be reported as sole sources if applicable. This change in reporting policy was effective July 1, 1988.
- (3) Statewide total includes \$5,245,342 in sole source contracts between agencies.
- (4) Statewide total includes \$11,199,450 in sole source contracts between agencies.
- (5) Delinquent reports of \$3,444,474 submitted by the Department of Health and Environmental Control in March 1992 have been added to the fiscal year 1990/91 total.
- (6) Statewide total includes \$13,078,305 in sole source contracts between agencies.

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

03258

Statewide Sole Source Procurements
Comparative Analysis by Agency (Activity > \$1 million)
FY90/91 & FY91/92

Agency	FY90/91	FY91/92	Difference	
	Dollars	Dollars	Dollars Up(Down)	Percent Up(Down)
Medical Univer- sity of South Carolina	\$23,915,911	\$29,482,793	\$5,566,882	23.3%
University of South Carolina	11,736,463	13,334,053	1,597,590	13.6%
Department of Social Services	18,606,772	11,567,153	(7,039,619)	(37.8%)
Clemson	4,470,973	8,772,354	4,301,381	96.2%
Continuum of Care for Emotionally Disturbed Children	2,859,395	8,523,288	5,663,893	198.1%
Department of Mental Health	5,067,991	5,036,204	(31,787)	(0.6%)
Department of Health and Environmental Control	(1)3,444,474	4,518,135	1,073,661	31.2%
State Law Enfor- cement Division	2,751,059	3,838,671	1,087,612	39.5%
State Health and Human Services Finance Commission	2,855,038	3,391,798	536,760	18.8%
Department of Corrections	2,424,142	3,222,023	797,881	32.9%
Department of Probation, Parole and Pardon Services	347,441	1,958,738	1,611,297	463.8%

(1) Delinquent reports submitted by the Department of Health and Environmental Control in March 1992.

03259

Statewide Sole Source Procurements
Comparative Analysis by Agency (Activity > \$1 million)
FY90/91 & FY91/92

	FY90/91	FY91/92	Difference	
<u>Agency</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u> <u>Up(Down)</u>	<u>Percent</u> <u>Up(Down)</u>
Employment Secur- ity Commission	618,874	1,478,776	859,902	138.9%
Budget and Con- trol Board - Divison of Infor- mation Resource Management	1,299,880	1,442,339	142,459	11.0%
Department of Highways & Public Trans- portation	2,628,394	1,404,557	(1,223,837)	(46.6%)
Department of Education	1,125,720	1,285,243	159,523	14.2%
Forestry Commission	427,654	1,041,029	613,375	143.4%
SC State University	<u>965,705</u>	<u>1,032,895</u>	<u>67,190</u>	7.0%
SUBTOTAL	\$ 85,545,886	\$101,330,049	\$15,784,163	18.4%
ALL OTHER AGENCIES	<u>13,824,396</u>	<u>13,000,788</u>	<u>\$(823,608)</u>	(6.0%)
TOTAL	<u>\$ 99,370,282</u>	<u>\$114,330,837</u>	<u>\$14,960,555</u>	15.1%

03260

Statewide Sole Source Procurements
Comparative Analysis by Commodity Code
FY90/91 & FY91/92

Commodity Code	Description	FY90/91	FY91/92	Difference	
		Dollars	Dollars	Dollars Up(Down)	Dollars Up(Down)
794	Services, Per- sonal	\$14,060,871	\$37,493,442	\$23,432,571	166.7%
793	Services, Non Personal	26,520,247	24,117,751	(2,402,496)	(9.1%)
205	Computer Equip- ment & Accessor- ies	6,138,366	9,467,138	3,328,772	54.2%
792	Services, Consulting	11,005,005	9,164,408	(1,840,597)	(16.7%)
465	Hospital Equipment	7,891,556	8,564,088	672,532	8.5%
490	Lab Equipment Analytical, Nuclear & Physics	3,599,199	4,980,635	1,381,436	38.4%
742	Rental-Lease	1,070,816	2,644,532	1,573,716	147.0%
207	Computer Software	2,774,740	2,465,871	(308,869)	(11.1%)
475	Hospital Sundries	4,093,632	2,439,662	(1,653,970)	(40.4%)
470	Hospital Equip- ment - Invalid	471,865	2,691,412	2,219,547	470.4%
175	Chemicals, Lab Equipment & Supplies	2,058,710	2,360,614	301,904	14.7%

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

03261

Statewide Sole Source Procurements
Comparative Analysis by Commodity Code
FY90/91 & FY91/92

<u>Commodity Code</u>	<u>Description</u>	FY90/91	FY91/92	Difference	
		<u>Dollars</u>	<u>Dollars</u>	<u>Dollars Up(Down)</u>	<u>Dollars Up(Down)</u>
270	Drugs, Pharma- ceuticals, and Biologicals - Human Use	980,886	1,745,693	764,807	78.0%
828	Sundry Accounts	<u>734,068</u>	<u>1,401,628</u>	<u>667,560</u>	90.9%
	SUBTOTAL	\$81,399,961	\$109,536,874	\$28,136,913	34.6%
	ALL OTHER CODES	<u>17,970,321</u>	<u>4,793,963</u>	<u>(13,176,358)</u>	(73.3%)
	TOTAL	<u>\$99,370,282</u>	<u>\$114,330,837</u>	<u>\$14,960,555</u>	15.1%

03262

Statewide Sole Source Procurements
Status of Audits of Major Contributors
FY 91/92

1 - Medical University of South Carolina

Our last audit included a review of all sole sources up to December 1990. However, an interim review of sole sources through June 30, 1991 was done. We will be returning to the University this fiscal year for another audit. Additionally, we have reviewed \$4,321,294 of sole sources for the first two quarters of FY 91/92.

2 - University of South Carolina

Our last audit was performed through September 30, 1989. The University is on our audit schedule for this fiscal year. Additionally we have reviewed \$622,105 of sole source procurements for the first two quarters for FY 91/92.

3 - Department of Social Services

We covered up through December 1990 during our last audit. The Department is on our schedule for FY 93/94.

4 - Clemson University

The last audit performed was through June 1989. We are returning to Clemson FY 92/93. Preliminary to that audit, we have already tested \$20,464,481 in sole sources. We have also reviewed \$2,180,159 of sole sources for FY 91/92.

5 - Continuum of Care for Emotionally Disturbed Children

Our last audit was performed through June 1991.

6 - Department of Mental Health

Our most recent audit included sole source procurements through September 30, 1989. The Department is on our schedule for this fiscal year. Preliminary to that audit, we have already tested \$11,318,943 in sole sources.

7 - Department of Health and Environmental Control

The Department has been audited through September 30, 1989. Additionally an interim sole source review was performed through March 31, 1991. The Department is on our schedule this fiscal year. Preliminary to that audit, we have already tested \$6,522,925 in sole sources.

8 - State Law Enforcement Division

The Division's last audit was as of March 22, 1988. Since that time, we have inquired about several large sole sources.

9 - State Health and Human Services Finance Commission

The last audit performed was as of August 31, 1991. We are scheduled to return this fiscal year.

10 - Department of Corrections

We performed an audit of the Department through September 30, 1990. The Department is scheduled for an audit for this fiscal year. Additionally, we tested \$1,547,136 for the first two quarters of FY 91/92.

11 - Department of Probation, Parole and Pardon Services

Most current audit is through June 30, 1991. We have tested \$1,684,963 for the first two quarters of FY 91/91.

12 - Employment Security Commission

The last audit was as of March 31, 1986.

13 - Budget and Control Board - Division of Information Resource Mngt.

The Budget and Control Board Internal Audit Department is responsible for auditing this division.

14 - Department of Highways and Public Transportation

We have recently completed their audit through September 30, 1991.

15 - Department of Education

We have audited through June 20, 1988.

16 - Forestry Commission

We have audited through June 30, 1990. We also tested \$691,894 of sole source procurements in the first two quarters of FY 91/92.

17 - SC State University

We have audited through February 29, 1992.

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

03265

MEMORANDUM

TO: Helen Zeigler
Deputy Director

FROM: Linda Champion *LC*
Executive Manager

SUBJECT: Annual Report of Sole Source and
Emergency Procurements and Trade-In Sales

DATE: September 14, 1992

Attached is the Annual Report on Sole Source and Emergency Procurements and Trade-In Sales for the period July 1, 1991 through June 30, 1992.

For comparison purposes, the figures for FY 1990-91 were as follows:

	<u>Sole Source</u>	<u>Emergency</u>
Purchase Orders	11,672	898
Dollar Amount	\$99,575,808.34	\$11,809,955.76

	<u>Trade-In Sales</u>
Purchase Orders	289
Dollar Amount	\$619,358.84

An Agenda Item Worksheet for the Board's 10/13/92 meeting is attached. Procurement Code Section 11-35-2440 requires that emergency and sole source procurements be reported to the Board (pages 1-12 of attached report).

cc: Richard Kelly
Jim Forth
Voight Shealy

03266

ANNUAL REPORT ON SOLE SOURCE AND
EMERGENCY PROCUREMENTS AND TRADE-IN SALES
FOR THE PERIOD
JULY 1, 1991 THROUGH JUNE 30, 1992

Submitted by:

MATERIALS MANAGEMENT OFFICE
DIVISION OF GENERAL SERVICES

September 14, 1992

03267

TABLE OF CONTENTS

	<u>PAGE</u>
<u>Sole Source and Emergency Procurements</u>	
I. Total Number of Purchase Orders and Dollar Amount Reported	2
II. Total Number of Purchase Orders and Dollar Amount Reported by Agency	3
<u>Trade-In Sales</u>	
III. Total Number of Purchase Orders and Estimated Trade-In Value Reported	13
IV. Total Number of Purchase Orders and Estimated Trade-In Value Reported by Agency	13
V. Non-Reporting Agencies	22

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

SOLE SOURCE AND EMERGENCY PROCUREMENTS
JULY 1, 1991 - JUNE 30, 1992

I. Total Number of Purchase Orders and Dollar Amount Reported

	<u>SOLE SOURCE</u>	<u>EMERGENCY</u>
Purchase Orders	11,902	1,669
Dollar Amount	\$114,330,837.00	\$6,364,415.38

Number of Governmental Bodies Reporting: 156

03269

II. Total Number of Purchase Orders and Dollar Amount
Reported By Agency

<u>Governmental Body</u>	<u>SOLE SOURCE</u>		<u>EMERGENCY</u>	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Board of Accountancy	0	0	0	0
Adjutant General	5	5,144.47	20	26,648.04
Advisory Commission on Intergovernmental Relations	0	0	0	0
Aeronautics Commission	12	22,615.13	10	62,842.38
Commission on Aging	14	92,626.86	0	0
Dept. of Agriculture	35	58,398.11	1	5,250.00
Commission on Alcohol & Drug Abuse	4	9,851.72	1	1,957.19
Alcoholic Beverage Control Commission	1	1,576.80	0	0
Board of Architectural Examiners	0	0	0	0
Dept. of Archives & History	21	44,912.06	1	741.65
Arts Commission	8	23,713.10	0	0
Athletic Commission	0	0	0	0
Attorney General's Office	27	96,274.43	0	0
Auctioneer's Commis- sion	0	0	0	0
State Auditor	- 1	538.65	0	0
Board of Barber Examiners	0	0	0	0

EXHIBIT

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Commission for the Blind	6	15,675.41	1	3,288.00
B&CB - Budget Division	6	17,398.26	0	0
B&CB - Economic Adivsors	4	34,212.50	0	0
B&CB - Office of Executive Director	1	703.00	0	0
B&CB - Financial Data Systems	24	803,309.42	0	0
B&CB - Fire Marshal	10	26,277.45	0	0
B&CB - General Services	16	195,361.72	18	88,143.55
B&CB - Human Resource Management	5	7,417.23	0	0
B&CB - DIRM	77	1,442,339.21	10	122,915.53
B&CB - Insurance Services	9	53,041.83	0	0
B&CB - Internal Operations	3	7,277.30	0	0
B&CB - Local Government	0	0	0	0
B&CB - Motor Vehicle Management	3	25,385.20	2	6,800.00
B&CB - Research & Statistical Services	45	625,160.23	5	12,126.00
B&CB - Retirement Systems	8	46,688.00	0	0
Children's Foster Care Review Board System	7	19,965.90	0	0
Board of Chiropractic Examiners	0	0	0	0

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
The Citadel	122	328,203.05	14	37,138.14
Clemson University	683	8,772,353.81	9	256,427.74
Coastal Council	30	124,782.62	1	2,930.70
College of Charleston	80	527,715.50	5	20,755.18
Comptroller General	7	9,871.80	0	0
Confederate Relic Room & Museum	0	0	0	0
Dept. of Consumer Affairs	0	0	0	0
Contractors' Licensing Board	12	42,417.51	0	0
Coordinating Council for Economic Development	0	0	0	0
Dept. of Corrections	285	3,222,023.09	18	190,558.84
Board of Cosmetology	11	7,220.54	0	0
Board of Examiners for Counselors	0	0	0	0
Criminal Justice Academy	36	489,346.61	8	57,353.46
Criminal Justice Hall of Fame	1	500.00	0	0
School for the Deaf & Blind	10	19,175.44	9	20,997.70
Board of Dentistry	1	1,052.60	0	0
Development Board	28	162,308.59	0	0
Dept. of Education	747	1,285,243.23	324	593,637.70
Educational Television Network	31	328,484.56	7	43,738.44

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Election Commission	4	4,580.26	1	9,418.78
Continuum of Care for Emotionally Disturbed Children	500	8,523,288.41	29	299,159.76
Employment Security Commission	36	1,478,775.88	8	115,863.20
Board of Engineers & Land Surveyors	1	635.70	0	0
Environmental Certification Board	0	0	0	0
Ethics Commission	0	0	5	20,817.92
Board of Financial Institutions	0	0	0	0
Foresters' Registration Board	0	0	0	0
Forestry Commission	52	1,041,029.43	22	58,826.43
Francis Marion University	94	254,357.65	14	18,467.02
Funeral Service Board	0	0	0	0
Board of Registration for Geologists	1	170.00	0	0
Governor's Office, Executive Policies & Procedures	3	5,717.77	0	0
Department of Health & Environmental Control	177	4,518,135.27	15	33,046.28
Health & Human Services Finance Commission	62	3,391,798.47	2	8,455.00
Commission on Higher Education	29	40,539.55	0	0

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Higher Education, Tuition Grants Agency	1	3,111.00	0	0
Dept. of Highways & Public Transportation	190	1,404,557.18	7	163,014.15
Housing Authority	3	11,366.50	0	0
Human Affairs Commission	8	5,768.00	0	0
Dept. of Insurance	5	52,167.05	0	0
Jobs-Economic Development Authority	1	836.00	0	0
John De La Howe School	3	4,884.27	8	8,521.27
Joint Legislative Committee on Aging	0	0	0	0
Joint Legislative Appropriations Review Committee	0	0	0	0
Joint Legislative Committee on Children	0	0	0	0
Joint Legislative Committee on Cultural Affairs	0	0	0	0
Joint Legislative Education Study Committee	0	0	0	0
Joint Legislative Select Committee of EIA	0	0	0	0
Joint Legislative Committee on Energy	0	0	0	0

03274

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Joint Legislative Committee on Health Care Planning and Oversight	0	0	0	0
Joint Legislative Committee on Mental Health & Retardation	4	27,750.00	0	0
Judicial Department	17	78,301.41	0	0
Dept. of Labor	13	56,914.57	0	0
Land Resources Conservation Commission	17	72,103.98	0	0
Lander University	64	243,203.89	1	2,385.75
Law Enforcement Division	146	3,838,671.09	16	114,739.00
Legislative Audit Council	2	5,750.00	0	0
State Library	1	900.00	0	0
Office of the Lieutenant Governor	0	0	0	0
State Board of Medical Examiners	3	12,053.08	0	0
Medical University	5242	29,482,793.45	809	1,177,639.52
Dept. of Mental Health	310	5,036,204.37	59	747,540.69
Dept. of Mental Retardation	55	331,909.58	32	78,388.98
Migratory Waterfowl Committee	1	1,830.00	0	0
Museum Commission	0	0	0	0
Board of Nursing	0	0	0	0
Board of Examiners for Nursing Home Administrators	0	0	0	0

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Board of Occupational Therapy	0	0	0	0
Board of Examiners in Opticianry	0	0	0	0
Board of Examiners in Optometry	2	2,195.00	0	0
Dept. of Parks, Recreation & Tourism	96	301,050.75	13	96,247.70
Dept. of Parole & Community Corrections	39	1,958,738.13	3	11,898.66
Patients' Compensation Fund	1	816.00	0	0
Patriot's Point Development Authority	4	125,500.00	0	0
Board of Pharmacy	4	4,241.62	0	0
Board of Physical Therapy Examiners	0	0	0	0
Board of Podiatry	0	0	0	0
Procurement Review Panel	0	0	0	0
Board of Psychology Examiners	0	0	0	0
Public Service Commission	8	5,935.92	0	0
Real Estate Commission	12	82,705.34	7	14,909.42
Reorganization Commission	0	0	0	0
Residential Builders Commission	0	0	0	0
Savannah Valley Authority	9	994,660.00	0	0

EXHIBIT

NOV 10 1992

7

03276

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Sea Grant Consortium	10	22,896.40	0	0
Second Injury Fund	2	5,866.35	0	0
Secretary of State	1	6,900.00	0	0
Dept. of Social Services	199	11,567,153.32	16	302,305.37
Board of Social Work Examiners	0	0	0	0
Board of Speech-Language Pathology & Audiology	0	0	0	0
S. C. State University	144	1,032,894.83	20	134,099.53
Tax Commission	40	302,197.08	0	0
Board for Technical and Comprehensive Education	10	23,435.34	1	970.20
Aiken TEC	9	25,907.61	7	27,764.85
Central Carolina TEC	16	58,445.84	2	4,004.35
Chesterfield-Marlboro TEC	6	10,022.00	0	0
Denmark TEC	2	8,821.48	1	2,250.00
Florence-Darlington TEC	26	95,808.26	1	5,735.00
Greenville TEC	171	434,022.26	3	17,114.98
Horry-Georgetown TEC	15	47,814.48	0	0
Midlands TEC	31	89,139.90	13	30,812.30
Orangeburg-Calhoun TEC	22	60,105.55	7	19,926.04
Piedmont TEC	18	61,772.79	1	1,500.00
Spartanburg TEC	29	126,003.04	2	6,093.99

<u>Governmental Body</u>	<u>SOLE SOURCE</u>		<u>EMERGENCY</u>	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Technical College of the LowCountry	4	5,186.90	2	6,048.91
Tri-County TEC	13	104,203.45	4	20,059.22
Trident TEC	56	566,330.34	14	122,056.61
Williamsburg TEC	24	44,256.40	0	0
York TEC	19	37,348.55	0	0
State Treasurer's Office	1	2,701.65	0	0
University of S. C.	553	13,334,052.82	15	144,464.28
Veterans' Affairs	1	5,866.35	0	0
Board of Veterinary Medical Examiners	0	0	0	0
Council on Vocational & Technical Education	0	0	0	0
Vocational Rehabilitation Department	410	648,586.44	18	178,299.07
Water Resources Commission	31	837,350.77	2	672,709.80
Wil Lou Gray Opportunity School	2	5,587.50	4	22,410.65
Wildlife & Marine Resources Dept.	94	602,236.21	7	62,852.33
Winthrop College	198	787,029.47	3	6,750.00
Commission on Women	0	0	0	0
Workers' Compensation Commission	8	25,620.99	0	0
Workers' Compensation Fund	7	35,222.74	1	2,467.45
Dept. of Youth Services	74	907,540.38	10	40,130.68

<u>Governmental Body</u>	SOLE SOURCE		EMERGENCY	
	<u>Purchase Orders</u>	<u>Dollar Amount</u>	<u>Purchase Orders</u>	<u>Dollar Amount</u>
Total:	11,902	114,330,837.00	1,669	6,364,415.38

TRADE-IN SALES
July 1, 1991 - June 30, 1992

III. Total Number of Purchase Orders and Estimated Trade-In Value Reported

Purchase Orders: 216

Estimated Trade-In Value: \$452,987.20

Number of Governmental Bodies Reporting: 156

IV. Total Number of Items and Estimated Trade-In Value Reported by Agency

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Board of Accountancy	0	0
Adjutant General	0	0
Advisory Commission on Intergovernmental Relations	0	0
Aeronautics Commission	0	0
Commission on Aging	0	0
Dept. of Agriculture	0	0
Commission on Alcohol & Drug Abuse	0	0
Alcoholic Beverage Control Commission	0	0
Board of Architectural Examiners	0	0
Dept. of Archives & History	3	11,611.51
Arts Commission	0	0
Athletic Commission	0	0
Attorney General's Office	0	0

EXHIBIT
NOV 10 1992 7
STATE BUDGET & CONTROL BOARD

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Auctioneer's Commission	0	0
State Auditor	0	0
Board of Barber Examiners	0	0
Commission for the Blind	0	0
B&CB - Budget Division	0	0
B&CB - Economic Advisors	0	0
B&CB - Office of Executive Director	0	0
B&CB - Financial Data Systems	0	0
B&CB - Fire Marshal	0	0
B&CB - General Services	0	0
B&CB - Human Resource Management	1	100.00
B&CB - DIRM	0	0
B&CB - Insurance Services	3	3,609.52
B&CB - Internal Operations	0	0
B&CB - Local Government	0	0
B&CB - Motor Vehicle Management	1	13,460.00
B&CB - Research & Statistical Services	0	0
B&CB - Retirement Systems	0	0

03281

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Children's Foster Care Review Board System	0	0
Board of Chiropractic Examiners	0	0
The Citadel	2	750.00
Clemson University	52	63,079.81
Coastal Council	0	0
College of Charleston	2	1,235.00
Comptroller General	0	0
Confederate Relic Room & Museum	0	0
Dept. of Consumer Affairs	0	0
Contractors' Licensing Board	0	0
Coordinating Council for Economic Development	0	0
Dept. of Corrections	2	1,623.00
Board of Cosmetology	0	0
Board of Examiners for Counselors	0	0
Criminal Justice Academy	3	68.58
Criminal Justice Hall of Fame	0	0
School for the Deaf & Blind	0	0
Board of Dentistry	0	0

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Development Board	0	0
Dept. of Education	0	0
Educational Television Network	0	0
Election Commission	0	0
Continuum of Care for Emotionally Disturbed Children	0	0
Employment Security Commission	10	48,503.00
Board of Engineers & Land Surveyors	0	0
Environmental Certification Board	0	0
Ethics Commission	0	0
Board of Financial Institutions	0	0
Foresters' Registration Board	0	0
Forestry Commission	20	2,506.00
Francis Marion University	0	0
Funeral Service Board	0	0
Board of Registration for Geologists	0	0
Governor's Office, Executive Policies & Procedures	0	0
Department of Health & Environmental Control	1	97,650.00

03283

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Health & Human Services Finance Commission	1	1,931.20
Commission on Higher Education	0	0
Higher Education, Tuition Grants Agency	0	0
Dept. of Highways & Public Transportation	1	10,000.00
Housing Authority	1	50.00
Human Affairs Commission	0	0
Dept. of Insurance	0	0
Jobs-Economic Development Authority	0	0
John De La Howe School	0	0
Joint Legislative Committee on Aging	0	0
Joint Legislative Appropriations Review Committee	0	0
Joint Legislative Committee on Children	0	0
Joint Legislative Committee on Cultural Affairs	0	0
Joint Legislative Education Study Committee	0	0
Joint Legislative Select Committee of EIA	0	0

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Joint Legislative Committee on Energy	0	0
Joint Legislative Committee on Health Care Planning and Oversight	0	0
Joint Legislative Committee on Mental Health & Retardation	0	0
Judicial Dept.	0	0
Dept. of Labor	0	0
Land Resources Conservation Commission	0	0
Lander University	0	0
Law Enforcement Division	0	0
Legislative Audit Council	1	25.00
State Library	0	0
Office of Lieutenant Governor	0	0
State Board of Medical Examiners	0	0
Medical University	30	69,163.98
Dept. of Mental Health	10	5,649.63
Dept. of Mental Retardation	28	68,490.40
Migratory Waterfowl Committee	0	0
Museum Commission	0	0
Board of Nursing	0	0

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

03285

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Board of Examiners for Nursing Home Administrators	0	0
Board of Occupational Therapy	0	0
Board of Examiners in Opticianry	0	0
Board of Examiners in Optometry	0	0
Dept. of Parks, Recreation & Tourism	2	2,019.50
Dept. of Parole & Community Corrections	0	0
Patients' Compensation Fund	0	0
Patriot's Point Development Authority	0	0
Board of Pharmacy	1	150.99
Board of Physical Therapy Examiners	0	0
Board of Podiatry	0	0
Procurement Review Panel	0	0
Board of Psychology Examiners	0	0
Public Service Commission	0	0
Real Estate Commission	0	0
State Reorganization Commission	0	0
Residential Builders Commission	0	0
Savannah Valley Authority	0	0

03286

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Sea Grant Consortium	0	0
Second Injury Fund	3	820.00
Secretary of State	0	0
Department of Social Services	2	50.00
Board of Social Work Examiners	0	0
Board of Speech-Language Pathology & Audiology	0	0
S. C. State University	0	0
Tax Commission	0	0
Board for Technical and Comprehensive Education	0	0
Aiken TEC	0	0
Central Carolina TEC	0	0
Chesterfield-Marlboro TEC	1	256.00
Denmark TEC	0	0
Florence-Darlington TEC	0	0
Greenville TEC	0	0
Horry-Georgetown TEC	0	0
Midlands TEC	1	80.00
Orangeburg-Calhoun TEC	0	0
Piedmont TEC	1	2,300.00
Spartanburg TEC	0	0
Technical College of the LowCountry	0	0

03287

<u>Governmental Body</u>	<u>Purchase Orders</u>	<u>Estimated Trade-In Value</u>
Tri-County TEC	0	0
Trident TEC	0	0
Williamsburg TEC	0	0
York TEC	0	0
Treasurer's Office	0	0
University of S. C.	14	19,788.00
Veterans' Affairs	0	0
Board of Veterinary Medical Examiners	0	0
Council on Vocational & Technical Education	0	0
Vocational Rehabilitation Department	14	17,975.00
Water Resources Commission	0	0
Wil Lou Gray Opportunity School	0	0
Wildlife & Marine Resources Dept.	0	0
Winthrop College	4	2,588.17
Commission on Women	0	0
Workers' Compensation Commission	0	0
Workers' Compensation Fund	1	7,452.91
Dept. of Youth Services	0	0
Total:	216	452,987.20

C3288

V. Non-Reporting Agencies

Commission on Appellate Defense
Board of Registered Environmental Sanitarians

EXHIBIT

NOV 10 1992

7

STATE BUDGET & CONTROL BOARD

03289

EXHIBIT

NOV 10 1992

8

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 8

AGENCY: Human Resource Management

SUBJECT: Advancement of Sick Leave

On June 10, 1986, the Board authorized the Division to approve employment beyond age 70 and advancement of sick leave requests and to report those approvals to the Board on a quarterly basis.

Attached are requests for advancement of sick leave approved by the Division during the July - September 1992 quarter in accord with the requirements of Section 8-11-40.

No requests for employment beyond age 70 were received during the quarter.

BOARD ACTION REQUESTED:

Receive as information a Division of Human Resource Management report on advancement of sick leave requests approved during the July - September 1992 quarter in accord with the requirements of Section 8-11-40.

ATTACHMENTS:

Agenda item worksheet; Facts Sheet; attachment

03290

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

☒ Blue Agenda
☐ Regular
☐ Executive Session

November 10, 1992

1. Submitted by: (a) Agency: Division of Human Resource Management

(b) Authorized Official Signature Phyllis M. Mayes

2. Subject: Advancement of Sick Leave and Employment Beyond Age 70

3. Summary Background Information:

At the June 10, 1986 meeting, the Budget and Control Board granted the authority to the Division of Human Resource Management to approve advancement of sick leave and age extension requests and to report to the Board on a quarterly basis. Attached is the quarterly report for advancement of sick leave for your information. These requests were approved in accordance with the requirements of Section 9-1-1530 and 8-11-40, Code of Laws of South Carolina. The Division of Human Resource Management continues to review age extension requests for law enforcement, faculty, and firefighters because these categories of employees are exempted from the federal law eliminating mandatory retirement age.

EXHIBIT

NOV 10 1992

8

~~STATE BUDGET & CONTROL BOARD~~

4. What is Board asked to do?

No action required.

5. What is recommendation of the Board division involved?

No action required.

6. Recommendation of other office (as required)?

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

List those not attached
but available:

Facts Sheet.

Advancement of Sick Leave Quarterly Report.

03291

FACTS SHEET

Advancement of Sick Leave and Employment Beyond Age 70

1. Quarterly Reports are submitted for informational purposes. No action is required by the Budget and Control Board.
2. Approval for the requests has been granted in accordance with Sections 8-11-40 and 9-1-1530, Code of Laws of South Carolina.
3. Advancement of Sick Leave

The following agency has requested and has been granted approval for the advancement of sick leave to allow the named employee to return to work before being placed on leave without pay:

Nora Kirven

DHEC

4. Age Extension

No age extension requests were received for this quarter.

5. The Division of Human Resource Management continues to review age extensions for law enforcement, faculty, and firefighters because these categories of employees were exempted from the federal law eliminating a mandatory retirement age.

Prepared by the Division of Human Resource Management on October 26, 1992.

03292

ADVANCEMENT OF SICK LEAVE

July - September 1992 Quarterly Report

<u>Agency</u>	<u>Employee</u>	<u>Number of Days</u>	<u>Approved/ Disapproved</u>
DHEC	Nora Kirvens	10	Approved
USC	Pearlie Payne	10	Disapproved

* * *The request for Ms. Pearlie Payne was disapproved because the advancement of ten days of sick leave would not guarantee her return to work at USC.

EXHIBIT

NOV 10 1992

8

STATE BUDGET & CONTROL BOARD

Prepared by the Division of Human Resource Management on October 26, 1992.

03293

EXHIBIT

NOV 10 1992

9

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER

9

AGENCY: Human Resource Management

SUBJECT: Exceptional Pay Increases Awarded to Unclassified Faculty Employees

At its July 16, 1992 meeting, the Budget and Control Board established pay increase guidelines for unclassified faculty employees.

Exceptional pay increases have been approved by the Division of Human Resource Management and are reported in accordance with the guidelines.

BOARD ACTION REQUESTED:

Receive as information a report on exceptional pay increases approved by the Division of Human Resource Management in accord with guidelines approved by the Board on July 16, 1992.

ATTACHMENTS:

Agenda item worksheet; list of exceptional pay increases approved

03294

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

☒ Blue Agenda
☐ Regular Session
☐ Executive Session

November 10, 1992

1. Submitted by: (a) Agency: Division of Human Resource Management

(b) Authorized Official Signature Phyllis M. Mayes

2. Subject:

Exceptional Pay Increases Awarded to Unclassified Faculty Employees

3. Summary Background Information:

At its July 16, 1992 meeting, the Budget and Control Board established pay increase guidelines for unclassified faculty employees. The Board asked that exceptional pay increases approved by the Division of Human Resource Management in accordance with the guidelines be reported on the blue agenda.

EXHIBIT

NOV 10 1992

9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information.

5. What is recommendation of the Board division involved?

Receive as information.

6. Recommendation of other office (as required)?

Office Name _____

Authorized

Signature _____

7. Supporting Documents:

List those attached:

List of Exceptional Pay Increases
Approved to Unclassified
Faculty Employees.

List those not attached
but available:

03295

EXHIBIT

Exceptional Pay Increase Awarded to Unclassified Faculty Employees

NOV 10 1992

9

STATE BUDGET & CONTROL BOARD

The Division of Human Resource Management was authorized to approve exceptional pay increases greater than 11% when the new salary is above \$50,000 for unclassified faculty employees.

Clemson University

<u>Name</u>	<u>FY91-92 Salary</u>	<u>Approved FY92-93 Salary</u>
C. D. Jefferies	\$ 48,226	\$ 55,000
M. F. Larsen	\$ 53,245	\$ 61,764
P. D. Sauer, Jr.	\$ 50,015	\$ 60,000
T. E. Schwedler	\$ 56,282	\$ 63,084
H. T. Skorupska	\$ 48,589	\$ 54,374
M. S. Wallace	\$ 54,225	\$ 63,393
G. S. Clarkson, Jr.	\$ 76,042	\$ 91,630
W. V. Griffith	\$ 69,768	\$ 85,116
J. L. Jameson, Jr.	\$ 62,000	\$ 77,500
R. M. McDonald	\$ 68,897	\$ 84,398

Medical University of South Carolina

<u>Name</u>	<u>FY91-92 Salary</u>	<u>Approved FY92-93 Salary</u>
D. G. Kilpatrick	\$ 77,700	\$103,000
R. G. Knapp	\$ 50,269	\$ 57,811

University of South Carolina

<u>Name</u>	<u>FY91-92 Salary</u>	<u>Approved FY92-93 Salary</u>
Y. Aharonov	\$ 54,433	\$ 65,651
J. W. Baynes	\$ 75,000	\$ 90,000
S. H. Berger	\$ 46,145	\$ 53,067
E. G. Patterson	\$ 51,750	\$ 61,750
C. E. Reeder	\$ 53,422	\$ 61,435
K. J. Roth	\$ 57,175	\$ 77,175
J. M. Sodetz	\$ 76,000	\$ 90,000
J. M. Tour	\$ 39,529	\$ 59,500

Prepared by the Division of Human Resource Management
November 2, 1992

03296

EXHIBIT

NOV 10 1992

9

Clemson University STATE BUDGET & CONTROL BOARD

Clark D. Jefferies - Dr. Jefferies, Professor of Math Science, has published numerous articles and has generated over \$100,000 from research grants with Grumman Aircraft Corporation. The increase is to bring his salary more in line with peer averages.

Miguel F. Larsen - Dr. Larsen, Professor of Physics/Astronomy, has generated over \$1,142,449 in federal funds and was offered a position at N. C. State. This increase is to retain his services and to bring his salary more in line with peer averages.

Raymond D. Sauer, Jr. - Dr. Sauer, Associate Professor of Economics, is an expert in gambler research and has been offered a position at the University of Louisville. The increase is to retain his services.

Thomas E. Schwedler - Dr. Schwedler, Professor of Fisheries/Microbiology, is the key component of a multidisciplinary aquaculture research, teaching and extension team at the university. He is being recruited by Mississippi State and the university wants to retain his services.

Halina T. Skorupska - Dr. Skorupska, Associate Professor of Agronomy/Biological Sciences, leads Clemson's plant biotechnology research program and is an excellent teacher. Additionally, she has generated over \$300,000 in sponsored research.

Myles Wallace - Dr. Wallace, Professor of Economics, has a strong research background, has published extensively and has a strong commitment to promoting graduate education. The increase is to bring her salary more in line with her peers.

Garden S. Clarkson, Jr. - Dr. Clarkson is an Associate Director/Physician at the Redfern Health Center. Clemson formerly allowed physicians at the Center to have a private practice. This practice has been eliminated as the duties of the physicians have increased to serve not only students, but also, summer campers, conference guests, campus visitors and workers' compensation cases. The increase is to recognize the addition of duties.

William V. Griffith - Dr. Griffith is a Lecturer/Physician at the Redfern Health Center. The increase is to recognize the addition of duties as with Dr. Clarkson.

Lake H. Jameson, Jr. - Dr. Jameson is a Lecturer/Physician at the Redfern Health Center. The increase is to recognize the addition of duties as with Dr. Clarkson.

Rose Marie McDonald - Dr. McDonald is a Lecturer/Physician at the Redfern Health Center. The increase is to recognize the addition of duties as with Dr. Clarkson.

03297

Medical University of South Carolina

Dean G. Kilpatrick - Dr. Kilpatrick, Professor of Psychiatry, has a strong research history and is a national expert in the area of mental health impact of rape and violent crimes. This increase is the Medical University's effort to retain his expertise and to compensate him at a level commensurate with recently hired peers.

Rebecca G. Knapp - Dr. Knapp, Professor of Biostatistics, has a strong research history and numerous publications. The university indicates she is an excellent educator of biostatistics and epidemiology who is below survey averages for her rank and discipline.

University of South Carolina

Yakir Aharonov - Dr. Aharonov, Professor of Physics, is a well respected research scientist in the field of Physics who has been nominated for the Nobel Prize and brings much prominence to the university. He serves in a dual capacity serving six months with USC and six months at Tel Aviv University while on leave without pay from USC.

John W. Baynes - Last year Dr. Baynes, Professor of Chemistry, was offered a job by the University of Indiana School of Medicine. This is the university's effort to counter the offer and retain Dr. Baynes at the university.

Sandra H. Berger - Dr. Berger, Associate Professor of Pharmacology, is the most productive member of the faculty in her area of specialty. This is measured in terms of research, grant support, graduate instruction, Ph. D. candidate advisorships and university and community services. She was recently offered a position by the Experimental Cancer Chemotherapeutics Program at the Medical University of South Carolina.

Elizabeth G. Patterson - Dr. Patterson, Associate Professor of Law, is the only woman at her rank in the USC School of Law. The increase is given to correct an inequity and recognize her exceptional scholarship and teaching abilities.

Claiborne E. Reeder - Dr. Reeder, Associate Professor/Assistant Dean, is a highly regarded teacher and administrator who is consistently sought by other institutions and organizations for employment. This salary increase is awarded to counter his recent offer from the pharmaceutical firm Allied Health Care Research, Glasco, Inc.

University of South Carolina cont'd

- Kendall J. Roth - Dr. Roth, Associate Professor, is a faculty member in International Business. He recently received a large offer from Baylor University which USC seeks to counter.
- James M. Sodetz - Last year Dr. Sodetz, Professor of Chemistry, was offered a position as Chair in Molecular Biology at the University of Oklahoma. This is the university's effort to counter the offer and retain Dr. Sodetz at the university.
- James M. Tour - Dr. Tour, Associate Professor of Chemistry, is one of the most promising young faculty members at the university. He received a substantial offer for a tenured faculty appointment at Vanderbilt University. This substantial increase is the university's effort to retain his services, the grant funding and recognition he brings to the university while countering the salary and benefits package offered by Vanderbilt.

EXHIBIT
NOV 10 1992 9
STATE BUDGET & CONTROL BOARD

03299

EXHIBIT

NOV 10 1992

10

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 10

AGENCY: Human Resource Management

SUBJECT: Reduction for Non-disciplinary Reason, Archives and History

On June 9, 1992, the Board authorized the Division to approve salary reductions related to voluntary demotions and employee-initiated actions.

Salary reductions resulting from reductions-in-force, including reorganizations, must be presented to the Budget and Control Board.

The Department of Archives and History has requested authorization to reduce the salary of an employee whose position was eliminated due to a recent reorganization and who has accepted a lower-paying job in the organization.

BOARD ACTION REQUESTED:

Authorize the Department of Archives and History to reduce the salary of an employee whose position was eliminated due to a recent reorganization and who has accepted a lower-paying job in the organization.

ATTACHMENTS:

Agenda item worksheet; facts sheet

03300

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

November 10, 1992

☒ Blue Agenda

☐ Regular Session

☐ Executive Session

1. Submitted by: (a) Agency: Division of Human Resource Management

(b) Authorized Official Signature

Phyllis M. Mayes

2. Subject: Salary Reduction for Non-disciplinary Reason-Department of Archives and History

3. Summary Background Information:

At its June 9, 1992 meeting, the Budget and Control Board authorized the Division of Human Resource Management to approve salary reductions related to voluntary demotions and employee-initiated actions. Salary reductions resulting from reductions-in-force, to include reorganizations, still must be presented to the Board for action. The Department of Archives and History has presented a request to the Division to reduce the salary of an individual whose position was eliminated due to a recent reorganization and who has accepted a lower paying job in the organization.

4. What is Board asked to do?

Approve the request of the Department of Archives and History.

5. What is recommendation of the Board division involved?

Approve the request.

6. Recommendation of other office (as required)?

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

Fact Sheet.

List those not attached
but available:

Memo of October 26, 1992 from
J. Patrick Austin to Donna
Traywick.

03301

Fact Sheet

Agency: South Carolina Department of Archives and History
Name: Roberta V. Copp
Previous Title: Public Information Specialist II (Full-time appointment)
Previous Grade: Grade 30 \$22,663 - \$28,329 - \$33,995
New Title: Search Room Assistant (Part-time appointment)
New Grade: Grade 11 \$10,753 - \$13,441 - \$16,130

Request: To reduce Ms. Copp's salary from that of a full-time Public Information Specialist II to a part-time Search Room Assistant.

Background:

1. Section 19-702.06.A.1. of the State Personnel Regulations states that when an employee with permanent status is demoted due to non-disciplinary reasons, his pay shall remain unchanged for a period of two (2) years from the date of the demotion unless an exception is approved by the Budget and Control Board.
2. Effective November 7, 1992, Ms. Copp's position will be RIF'd as a result of a reorganization.
3. From August 1985 to July 1988, Ms. Copp held status in the Search Room Assistant class.
4. Presently, three individuals are employed as Search Room Assistants. Each Search Room Assistant is part-time and earns an equal salary. At this time, there are no full-time positions available for this class. The agency only uses part-time employees for this class because of extended operating hours (Tues-Fri 9:00 a.m. to 9:00 p.m., Sat 9:00 a.m. to 6:00 p.m., and Sun 1:00 p.m. to 6:00 p.m.) and the practice of normally using graduate students in this capacity. One of these current Search Room Assistants is still in probationary status. As a result, Ms. Copp has elected to exercise her bumping rights to this class effective November 9, 1992. Should the Board approve this salary reduction request, the Department of Archives and History would like to make the new salary effective November 12, 1992.

EXHIBIT

NOV 10 1992

10

Prepared by the Division of Human Resource Management
November 2, 1992

STATE BUDGET & CONTROL BOARD

03302

EXHIBIT

NOV 10 1992

1 1

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 11

AGENCY: Insurance Services

SUBJECT: Activity Report, September 1992

The Insurance Services Division report on activity in the Medical Benefit Plan, the Dental Benefit Plan and the Insured Benefit Plan during August shows claims and expenses compared to premiums for the Health and Dental Plans individually and combined.

Health claims for September totalled \$33.1 million. There were five payment periods in September 1992 compared with four payments periods in September 1991. The average per week payment in September 1992 was 4.5% higher than that of September 1991. Claims for the January - September 1992 were \$257.7 million, 17.8% above the first three quarters of 1991.

Dental claims for September were \$2.8 million. Claims for the January-September period were \$23.9 million, 13.2% higher than the first three quarters of 1991.

BOARD ACTION REQUESTED:

Receive as information the Insurance Services activity report for September 1992 on the State Health, Dental and Insured Benefits Plans.

ATTACHMENTS:

Bennett October 16 letter; Monthly Activity Report

03303

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF INSURANCE SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

INSURANCE BENEFITS MANAGEMENT
POST OFFICE BOX 11661
1201 MAIN STREET, SUITE 300
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-0678

DAVID L. ANDERSON
ASSISTANT DIVISION DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

October 16, 1992

Donna K. Williams, Assistant Executive Director
State Budget and Control Board
612 Wade Hampton Building
Columbia, South Carolina 29201

Dear Ms. Williams:

Attached is a copy of the Division of Insurance Services' Monthly Activity Report for September. This report provides information on claims and expenses for the self-insured health and dental plans and the commercially-insured life and long-term care plans for the calendar year.

HEALTH

Claims for the State Health Plan in September equaled \$33.1 million. There were five payment periods last month, rather than the four payment weeks in September 1991. The average payment per week this September rose 4.5 percent over the amount in September a year ago. Claims for the January-September period equaled \$257.7 million, 17.8 percent above the total in the first three quarters of 1991.

DENTAL

Claims for the Dental Plan equaled \$2.8 million in September. Dental claims in the first nine months of 1992 equaled \$23.9 million, 13.2 percent higher than the January-September 1991 amount.

Please call me if you have any questions about this report.

Sincerely,

James E. Bennett, CPCU
Director
Division of Insurance Services
Attachment

03304

STATE OF SOUTH CAROLINA
MEDICAL AND DENTAL BENEFIT PLAN
MONTHLY ACTIVITY REPORT
1992

Page 1

ENROLLMENT	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
State Plan and HMOs-No. of Subscribers	178,463	178,462	179,075	179,532	179,818	179,892	179,408	180,212	179,480			
HMO Coverage - Number of Subscribers	12,759	13,172	13,309	13,425	13,465	13,553	13,522	13,552	13,472			
% Under HMOs	7.15%	7.38%	7.43%	7.48%	7.49%	7.53%	7.54%	7.52%	7.51%			
State Health Plan												
Number of Subscribers	165,704	165,290	165,766	166,107	166,353	166,339	165,886	166,660	166,008			
Number of Covered Children	95,015	95,170	95,808	95,416	96,100	96,315	96,109	96,511	98,169			
Number of Covered Spouses	40,331	40,171	40,359	40,476	40,515	40,576	40,483	40,760	40,669			
Total Insured Persons	301,050	300,631	301,933	301,999	302,968	303,230	302,478	303,931	304,846			
% Contracts with Subscriber Only	57.36%	57.35%	57.28%	57.22%	57.22%	57.19%	57.18%	57.16%	57.08%			
% Contracts with Dependents	42.64%	42.65%	42.72%	42.78%	42.78%	42.81%	42.82%	42.84%	42.92%			
% Contracts under Economy Plan	8.60%	8.54%	8.57%	8.59%	8.65%	8.68%	8.66%	8.70%	8.69%			
% Contracts under Standard Plan	87.87%	87.87%	87.79%	87.73%	87.64%	87.56%	87.51%	87.42%	87.40%			
% Contracts under Optional Plan	3.53%	3.60%	3.65%	3.68%	3.72%	3.76%	3.84%	3.88%	3.92%			
Active Subscriber - Number	130,057	129,703	130,193	130,506	130,786	130,727	129,480	129,849	129,004			
Number in Agencies	60,972	60,373	60,552	60,837	61,053	61,033	60,676	60,714	60,650			
Number in School Districts	63,244	63,096	63,257	63,248	63,261	63,179	62,108	61,824	60,931			
Number in Counties	3,955	4,345	4,480	4,518	4,559	4,596	4,776	5,393	5,506			
Number in Other Entities	1,886	1,889	1,904	1,903	1,913	1,919	1,920	1,918	1,917			
% Contracts with Subscriber Only	52.71%	52.69%	52.62%	52.56%	52.57%	52.50%	52.37%	52.34%	52.20%			
% Contracts with Dependents	47.29%	47.31%	47.38%	47.44%	47.43%	47.50%	47.63%	47.66%	47.80%			
% Contracts under Economy Plan	10.39%	10.31%	10.35%	10.39%	10.45%	10.51%	10.53%	10.61%	10.61%			
% Contracts under Standard Plan	89.61%	89.69%	89.65%	89.61%	89.55%	89.49%	89.47%	89.39%	89.39%			
Retiree - Number	32,852	32,828	32,932	32,919	32,884	32,940	33,612	33,970	34,111			
% Contracts with Subscriber Only	73.65%	73.64%	73.61%	73.61%	73.63%	73.66%	73.53%	73.41%	73.35%			
% Contracts with Dependents	26.35%	26.36%	26.39%	26.39%	26.37%	26.34%	26.47%	26.59%	26.65%			
% Contracts under Economy Plan	1.55%	1.54%	1.55%	1.49%	1.47%	1.46%	1.45%	1.45%	1.43%			
% Contracts under Standard Plan	81.09%	80.81%	80.60%	80.44%	80.25%	80.11%	80.16%	80.07%	80.06%			
% Contracts under Optional Plan	17.36%	17.64%	17.85%	18.07%	18.28%	18.44%	18.39%	18.48%	18.51%			
Survivors - Number	1,447	1,445	1,455	1,463	1,474	1,500	1,486	1,502	1,501			
COBRAs - Number	1,348	1,314	1,186	1,219	1,209	1,172	1,308	1,339	1,392			
Dental Plan - Number												
% Contracts with Subscriber Only	60.12%	59.39%	59.28%	59.29%	59.30%	59.31%	59.07%	59.34%	59.31%			
% Contracts with Dependents	39.88%	40.61%	40.72%	40.71%	40.70%	40.69%	40.93%	40.66%	40.69%			

EXHIBIT

NOV 10 1992

11

STATE BUDGET & CONTROL BOARD

03305

STATE OF SOUTH CAROLINA

Page 2

MEDICAL BENEFIT PLAN

MONTHLY ACTIVITY REPORT

1992

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
FINANCIALS - Medical Only												
Contributions												
Employer-Active	18,788,651	18,651,206	18,863,935	19,092,860	18,815,136	18,947,022	18,606,954	18,654,497	18,591,319			
Employer-Retiree	4,289,196	3,305,836	5,808,873	4,874,273	3,081,148	4,714,065	4,985,079	5,850,126	4,337,494			
Employee	7,788,365	7,615,342	7,702,242	7,821,347	7,764,677	7,717,152	7,790,627	7,794,026	7,826,330			
HMO Premiums	(1,327,184)	(1,411,984)	(1,417,104)	(1,423,405)	(1,396,539)	(1,404,059)	(1,393,502)	(1,403,893)	(1,392,001)			
Total	29,539,028	28,160,400	30,957,946	30,365,075	28,264,422	29,974,180	29,989,158	30,894,756	29,363,142			
Claims & Expenses:												
Claims	30,020,558	27,968,302	23,648,025	31,524,621	26,266,400	24,099,927	32,922,933	28,167,184	33,059,625			
** Administrative Expenses	1,709,682	946,534	1,089,323	1,706,433	962,578	1,784,921	950,164	954,649	951,515			
Total	31,730,240	28,914,836	24,737,348	33,231,054	27,228,978	25,884,848	33,873,097	29,121,833	34,011,140			
Loss Ratio (%)	107.42%	102.68%	79.91%	109.44%	96.34%	86.36%	112.95%	94.26%	115.83%			
Interest Income	237,278	217,716	297,920	222,103	186,136	274,001	149,070	121,743	259,502			
* Reserve Balance	68,537,196	68,000,477	74,518,995	71,875,119	73,096,699	77,460,032	73,725,163	75,619,830	71,231,334			
Number Months Claims	2.65	2.58	2.81	2.63	2.67	2.81	2.65	2.70	2.48			
Fiscal YTD												
Contributions(Employer & Employee)	30,866,212	60,438,596	92,813,646	124,602,126	154,263,087	185,641,326	217,023,986	249,322,635	280,077,778			
HMO Premiums	(1,327,184)	(2,739,168)	(4,156,272)	(5,579,677)	(6,976,216)	(8,380,275)	(9,773,777)	(11,177,670)	(12,569,671)			
Claims	30,020,558	57,988,860	81,636,885	113,161,506	139,427,906	163,527,833	196,450,766	224,617,950	257,677,575			
Administrative Expenses	1,709,682	2,656,216	3,745,539	5,451,972	6,414,550	8,199,471	9,149,635	10,104,284	11,055,799			
Loss Ratio (%)	107.42%	105.11%	96.31%	99.66%	99.02%	96.88%	99.20%	98.56%	100.46%			
** Administrative Expenses:												
BC&BS-Claims Processing	787,090	785,127	787,384	789,009	790,177	790,110	787,959	791,635	788,514			
DIS-Operating Expenses	755,000			755,000		700,000						
Crawford-Utilization Review	167,592	161,407	161,939	162,424	172,401	162,811	162,205	163,014	163,001			
Other			140,000			132,000						
Total	1,709,682	946,534	1,089,323	1,706,433	962,578	1,784,921	950,164	954,649	951,515			

* Beginning Balance January 1, 1992 \$70,491,130

EXHIBIT
NOV 10 1992 11
STATE BUDGET & CONTROL BOARD

03306

STATE OF SOUTH CAROLINA

Page 3

DENTAL BENEFIT PLAN

MONTHLY ACTIVITY REPORT

1992

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
FINANCIALS - DENTAL ONLY												
Contributions:												
Employer-Active	1,411,220	1,413,611	1,426,158	1,426,613	1,423,056	1,419,014	1,462,973	1,405,105	1,401,499			
Employer-Retiree	325,846	326,538	326,210	324,144	329,704	325,680	325,572	329,366	334,056			
Employee	1,026,463	1,070,589	1,059,806	1,061,047	1,057,826	1,045,939	1,051,713	1,051,752	1,052,104			
Total	2,763,529	2,810,738	2,812,174	2,811,804	2,810,586	2,790,633	2,840,258	2,786,223	2,787,659			
Claims & Expenses:												
Claims	2,815,970	2,325,148	2,404,865	2,164,458	3,169,609	1,879,966	3,340,973	2,952,117	2,812,621			
** Administrative Expenses	173,265	173,428	174,040	174,479	174,754	174,752	1,203,458	174,982	174,202			
Total	2,989,235	2,498,576	2,578,905	2,338,937	3,344,363	2,054,718	4,544,431	3,127,099	2,986,823			
Loss Ratio (%)	108.17%	88.89%	91.71%	83.18%	118.99%	73.63%	160.00%	112.23%	107.14%			
Interest Income	52,640	50,143	69,617	51,065	42,784	62,787	35,262	28,670	58,948			
* Reserve Balance	16,185,064	16,547,368	16,850,254	17,374,186	16,883,193	17,681,895	16,012,984	15,700,779	15,560,563			
Number Months Claims	6.85	6.97	7.21	7.45	7.11	7.47	6.45	6.35	6.21			
Fiscal YTD												
Contributions(Employer & Employee)	2,763,529	5,574,267	8,386,441	11,198,245	14,008,831	16,799,464	19,639,722	22,425,945	25,213,604			
Claims	2,815,970	5,141,118	7,545,983	9,710,441	12,880,050	14,760,016	18,100,989	21,053,106	23,865,727			
Administrative Expenses	173,265	346,693	520,733	695,212	869,966	1,044,718	2,248,176	2,423,158	2,597,360			
Loss Ratio (%)	108.17%	98.45%	96.19%	92.92%	98.15%	94.08%	103.61%	104.68%	104.96%			
** Administrative Expenses:												
R.E.Harrington-Claims Processing	173,265	173,428	174,040	174,479	174,754	174,752	174,253	174,982	174,202			
DIS-Operating Expenses							1,029,205					
Total	173,265	173,428	174,040	174,479	174,754	174,752	1,203,458	174,982	174,202			

* Beginning Balance January 1, 1992 \$16,358,130

EXHIBIT
NOV 10 1992 11
STATE BUDGET & CONTROL BOARD

03307

STATE OF SOUTH CAROLINA

Page 4

INSURED BENEFIT PLAN

MONTHLY ACTIVITY REPORT

1992

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
ENROLLMENT												
Dependent Life - Number	79,032	79,976	80,249	80,453	80,519	80,486	79,831	79,930	79,510			
Optional Life - Number	100,120	100,164	100,625	100,973	101,249	101,308	100,633	100,992	100,336			
Optional Supplemental Life - Number	13,778	14,210	14,632	14,935	15,202	15,392	15,472	15,769	15,933			
Long-Term Care - Number	3,856	3,853	3,783	3,775	3,766	3,752	3,758	3,749	3,749			
FINANCIALS												
DEPENDENT LIFE												
Premiums	34,259	61,199	52,615	52,692	52,528	52,417	52,610	53,500	53,709			
Paid Claims	20,215	28,300	53,079	44,548	59,200	123,400	55,049	54,600	97,200			
Number of claims	21	22	26	23	27	49	24	22	36			
Loss Ratio (%)	59.01%	46.24%	100.88%	84.54%	112.70%	235.42%	104.64%	121.50%	180.98%			
Y-T-D Loss Ratio (%)	59.01%	50.82%	68.61%	72.79%	81.07%	107.53%	107.11%	108.98%	117.28%			
OPTIONAL LIFE (Life & AD&D)												
Premiums	500,023	498,626	500,888	501,066	501,222	499,805	489,907	485,397	487,889			
Paid Claims	326,200	201,750	665,000	307,699	230,000	723,534	571,849	265,000	499,273			
Number of claims	14	9	20	10	8	23	19	10	17			
Loss Ratio (%)	65.24%	40.46%	132.76%	61.41%	45.89%	144.76%	116.73%	54.59%	102.33%			
Y-T-D Loss Ratio (%)	65.24%	52.87%	79.55%	75.01%	69.18%	81.76%	86.67%	82.75%	84.89%			
OPTIONAL SUPPLEMENTAL LIFE												
Premiums	118,767	121,465	124,205	124,324	125,732	125,013	123,920	124,010	125,807			
Paid Claims	50,000	25,000	105,000	40,000	25,000	125,000	50,296	65,000	75,103			
Number of claims	2	1	5	2	1	5	2	3	3			
Loss Ratio (%)	42.10%	20.58%	84.54%	32.17%	19.88%	99.99%	40.59%	52.42%	59.70%			
Y-T-D Loss Ratio (%)	42.10%	31.22%	49.39%	45.01%	39.87%	50.03%	48.68%	49.15%	50.34%			
LONG TERM CARE												
Premiums	117,904	115,953	117,429	117,277	116,839	116,075	113,582	114,351	119,527			
Paid Claims	5,735	5,365	14,505	9,450	24,863	10,275	12,268	11,388	17,230			
Loss Ratio (%)	4.86%	4.63%	12.35%	8.06%	21.28%	8.85%	10.80%	9.96%	14.42%			
Y-T-D Loss Ratio (%)	4.86%	4.75%	7.29%	7.48%	10.24%	10.01%	10.12%	10.10%	10.59%			

EXHIBIT
 NOV 10 1992
 STATE BUDGET & CONTROL BOARD

03308

EXHIBIT

NOV 10 1992

12

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 12

AGENCY: Insurance Services

SUBJECT: 1993 State Health Plan Document

Changes to the State Health Plan document, which become effective January 1, 1993, are mostly of a clerical or technical nature. These changes are necessary to clarify Plan administrative policies and procedures, extend language in areas where the current language has been judged insufficient to make Plan intent clear, improve the organization of the document, and remove obsolete language.

BOARD ACTION REQUESTED:

Receive as information the 1993 State Health Plan document which will become effective January 1, 1993.

ATTACHMENTS:

1993 State Health Plan

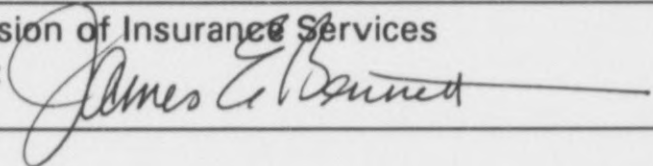
03369

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (9/91)

Meeting Scheduled For:

November 10, 1992

☒ Blue Agenda
☐ Regular Session
☐ Executive Session

1. Submitted By: (a) Agency: Division of Insurance Services
(b) Authorized Official Signature: 

2. Subject:

State Health Plan document for 1993

3. Summary Background Information:

Attached are changes to the State Health Plan document to become effective January 1, 1993. These changes, mostly of a clerical or technical nature, are necessary to clarify Plan administrative policies and procedures, extend language in areas where the current language has been judged insufficient to make Plan intent clear, to improve the organization of the document, and to remove obsolete language.

4. What is Board asked to do?

Receive as Information

5. What is recommendation of Board Division involved?

N/A

6. Recommendation of other office (as required)?

Office Name:	Authorized Signature

7. Supporting Documents:

List Those Attached:

State Health Plan document changes
effective January 1, 1993

List not attached
but available:

03310

**Plan Document Changes
Effective January 1, 1993**

1. Note that section 1.2 has to be changed to reflect the new effective date.

1.2 Establishment and Effective Date This Plan is a continuation of and replaces the Health Benefits Plan initially established on July 1, 1972, and this Plan becomes effective January 1, 1993.

2. Revise 1.11 to make clear that this section refers only to errors made by DIS or its agents, but not the subscriber. The retroactive adjustment of premiums is retained at 12 months. See also 3.9.G. regarding retroactive adjustment of premiums caused by the subscriber's failure to delete a Full Time Student. This time period is twelve months, and may be affected by federal tax laws. The time period for adjustments because of DIS mistakes may be longer than the period of readjustment because of subscriber errors.

1.11 **Clerical Error or Delay** Clerical errors made by DIS or its agents on the records of the Plan Administrator, Third Party Claims Processor or Utilization Review Agency, and delays in making entries on such records shall not invalidate coverage that otherwise would be validly in force or cause coverage to be in force or to continue in force which would otherwise be terminated. Upon discovery of any such error or delay, an equitable adjustment will be made not to exceed twelve months contribution by the Employee.

3. Amend 2.8 Allowable Charge, to include the scheduled amount for Physician's services established for the Physician Network. This change is necessary to conform to changes in reimbursement methodology caused by the Physician Network.

2.8 **Allowable Charge** shall mean a Physician's actual charge, or the amount established by the Plan Administrator in the Schedule of Reimbursement Rates for the Physician Network, whichever is less. For charges not included in the Schedule of Reimbursement Rates the Allowable Charges shall mean an amount measured and determined by comparing it with the charges customarily made for similar services to individuals of similar medical condition in the locality concerned, the "prevailing" charge, whichever is less. A "prevailing" charge is defined as a charge not exceeding the 90th percentile of all South Carolina Physicians' charges for specific services or procedures during the preceding year as determined under the Health Insurance Association of America's Surgical Prevailing Healthcare Charges System and adjusted annually. In the absence of data referred to above, the Third Party Claims Processor, through its medical staff and/or medical consultants, will determine the Allowable Charge based upon comparable or similar services or procedures.

EXHIBIT

NOV 10 1992

1 2

STATE BUDGET & CONTROL BOARD

03311

4. Section 2.48.F of the definition of Medical Necessity is deleted, and sub-part F is transferred to section 9.1.LL where it becomes an exception. The standard definition of Medical Necessity does not include sub-part F and it has confused medical providers.

2.48 **Medical Necessity; Medically Necessary or Necessary Service and Supply** shall mean a service or supply:

- A. that is required to identify or treat an illness or injury, and
- B. prescribed or ordered by a Physician, and
- C. performed in the least costly setting required by the Covered Person's condition, and
- D. is consistent with the Covered Person's illness, injury, or condition, and in accordance with proper medical and surgical practices prevailing in the medical specialty or field of medicine at the time rendered, and
- E. required for reasons other than the convenience of the patient. The fact that a service is prescribed by a Physician does not necessarily mean that such service is Medically Necessary.
- F. ~~is not prescribed or ordered by a physician because an anatomical variation causes psychological problems.~~

5. Add language to 2.44 Late Entrant to exclude from that definition individuals who qualify under the Special Eligibility Provisions of 3.7 when they lose coverage under another employer.

2.44 **Late Entrant** shall mean a Full Time Employee, and any Dependent of that Employee, as those terms are defined in the Plan, who did not enroll, or was not enrolled, within 31 days of that person's first date of eligibility for enrollment in a plan of benefits offered by the State, and who subsequently enrolls in the Plan. A Late Entrant is required to provide evidence of good health as a condition of enrolling in the Plan. Provided, however, that any person who qualifies for enrollment under the Special Eligibility Situations of paragraph 3.7, and meets the requirements thereof, and, any former Employee or Dependent of a former Employee, who is eligible to re-enroll in the Plan because of re-employment by an eligible Employer, or who becomes eligible for retirement under the S.C. Retirement Systems, shall not be considered a Late Entrant if enrolled or re-enrolled in the Plan in a timely manner.

6. Add to the definition of Mental Health Care Provider, the term Psychiatric Clinical Nurse Specialist, who has received a referral from a physician.

2.49 **Mental Health Care Provider** shall mean one who is licensed, and acting within the scope of the license as a psychiatrist, counseling or clinical psychologist, and, if referred by a medical doctor or osteopath, shall also include a psychiatric clinical nurse specialist, a licensed professional counselor or licensed Marital and Family Therapist or licensed independent social worker who is acting within the scope of the license.

7. Add a definition for the Physician Network as follows:

2.5* **Physician Network** shall mean those health care providers who have contracted with the Plan Administrator to accept from the State a standard payment methodology for their services rendered to Employees, Retirees and their Dependents.

8. Add an additional clause to the definition of Retiree to include those who have "bought-in" to retirement, but who do not receive a contribution from the State for their health insurance.

F. those Retirees who by the terms of their retirement are covered by the Plan but are not receiving any State contribution to their premium for health insurance.

9. Add a definition for the Schedule of Reimbursement Rates as follows:

2.7* **Schedule of Reimbursement Rates** shall mean the rates established by the Plan Administrator as payment for Physician's Services listed therein. The Schedule of Reimbursement Rates, attached to the contract between the State and participating providers in the State Physician Network, shall determine the reimbursement rates for Physician services under the Plan.

10. Revise 3.7.C to make clear that those who qualify under the special eligibility provisions covered in 3.7 are not Late Entrants. See also 2.44 which also has been revised for the same reason.

C. Coverage under the Special Eligibility Situations in Paragraph A and B above commences upon the date of loss of the earlier coverage, and those eligible under Paragraph A and B are not considered Late Entrants, provided that such persons comply with the requirements of sections 3.2 and 3.5 within 31 days of the loss of coverage.

EXHIBIT

3

NOV 10 1992

1 2

STATE BUDGET & CONTROL BOARD

03313

11. Revise last sentence of 3.9.G regarding the conditions under which retroactive adjustment of billings can be made.

- G. the date the Employee notifies the Plan Administrator that the Dependent is no longer a Full Time Student, or, if there is notification by the Employee, and the Dependent is otherwise eligible for coverage, at the end of the Plan Year in which the Dependent's Full Time Student status was last established. Retroactive adjustment of premiums received for an ineligible Dependent can be granted to an Employee for up to twelve (12) months retroactively from the current month's billing date provided the Employee does not have any remaining Dependents covered in the premium category affected. Employees paying premiums on a pre-tax basis may be restricted in the amount that may be refunded by the federal tax laws and regulations ~~are limited to refunds that do not exceed the current tax year.~~

12. Revise 5.1 to delete the requirement of a Schedule of Employee Contributions.

5.1 **Employee Contribution** To be covered under this Plan, each eligible Active Employee or Retiree shall contribute the amount ~~determined for each Plan Year by the State for listed in Schedule A attached hereto, opposite the benefit plan the Employee selects, commencing with the pay period in which coverage starts under this Plan. Each eligible Employee or Retiree who elects to have his Dependents covered under this Plan shall contribute the amount determined for each Plan Year by the State for listed in Schedule A attached hereto opposite the benefit plan the Employee selects commencing with the pay period in which such Dependents' coverage starts. The Plan Administrator reserves the right at any time to alter, amend, change, supplement, revoke or reduce the benefits under this Plan or increase or decrease the premiums charged under this Plan.~~

13. Revise 5.2 to make it consistent with the premium waiver provision, and also to add a reference to those who are special buy-in retirees.

5.2 **Contribution of Entire Premium** To be covered under this Plan the following persons eligible for coverage shall contribute the full amount of the premium ~~determined for each Plan Year by the State for the type of coverage selected listed in Schedule B~~ commencing with the period in which the person elects coverage in the categories listed below. These individuals are not eligible to receive any state contribution for health insurance:

- A. Full Time Employees who elect leave without pay status;
- B. a Surviving Spouse (including a Spouse who is a State employee) and eligible Dependents of a deceased Active or Retired Employee

who elects coverage under Article 10, Continuation of Coverage, provided however, the full premium for coverage for the Surviving Spouse (who is not a state Employee) and/or Dependent of a deceased Active or retired Employee who elected coverage under the Economy Plan or the Standard Plan and for which there was a State contribution to the premium is waived for one year after the Active or retired Employee's death;

- C. those electing to extend coverage as provided in Article 11 under COBRA;
- D. those hired after July 1, 1984 and who retired with five but less than ten years active service.
- E. those Retirees who by the terms of their retirement are covered by the Plan but are not receiving any State contribution to their premium for health insurance.

14. Add language to clarify the calculation of family deductible so that it is met if any combination of two or more family members have expenses totaling the family deductible amount.

7.1 **Covered Medical Expenses** Payment of benefits for Covered Medical Expenses is subject to all terms and conditions of the Plan including, but not limited to, all exclusions and limitations, and will be made as follows:

A. **Economy Plan (Plan A)**

- 1. **Deductible** The annual individual Deductible shall be \$300, and Each Covered Person shall pay annually the first \$300 of Covered Medical Expenses incurred in one Plan Year before becoming eligible for Plan benefits. The annual Family Deductible shall be \$600. Payment of the individual Deductible amounts by any two or more Family members totalling \$600 of Covered Medical Expenses for that Plan Year shall satisfy the Deductible for all Covered Persons in that Family. In the event that two or more Covered Persons of one Family incur charges for Covered Medical Expenses as a result of injuries received in the same accident, only one Deductible will be deducted from the aggregate of all charges for Covered Medical Expenses which are incurred by all such Covered Persons as a result of injuries in the same accident.

EXHIBIT

5

NOV 10 1992

12

STATE BUDGET & CONTROL BOARD

03315

B. Standard Plan (Plan B)

1. **Deductible** The annual individual Deductible shall be \$200, and Each Covered Person shall pay annually the first \$200 of Covered Medical Expenses incurred in one Plan Year before becoming eligible for Plan benefits. The annual Family Deductible shall be \$400. Payment of the individual Deductible amounts by any two or more Family members totalling \$400 of Covered Medical Expenses for that Plan Year shall satisfy the Deductible for all Covered Persons in that Family. In the event that two or more Covered Persons of one Family incur charges for Covered Medical Expenses as a result of injuries received in the same accident, only one Deductible will be deducted from the aggregate of all charges for Covered Medical Expenses which are incurred by all such Covered Persons as a result of injuries in the same accident.

15. Add language in 7.3.A Physician Charges referring to the Schedule of Reimbursement Rates for the Physician Network.

7.3 **Covered Medical Expense** shall mean a Reasonable and Customary or, where applicable under the Plan, an Allowable Charge, for medical services and supplies Medically Necessary in the diagnosis or treatment of an illness or injury, and not otherwise excluded by any term, condition, limitation or exclusion of the Plan, and which is within the benefits provided in the Plan including the following:

- A. charges made by a Physician, or Mental Health Care Provider, as those terms are defined in this Plan, except as they may be limited by any provision of the Plan, but not to exceed an Allowable Charge or the applicable amount in the Schedule of Reimbursement Rates as defined in this Plan or the Actual Charges, whichever is less.

16. At the recommendation of the claims administrator, clarify the limitation on drugs that have not received FDA approval by adding to 7.3.C. language regarding drugs in the testing phase. Also, clarify that nicotine patches are covered expenses only for one episode per lifetime.

- C. drugs and medicines which are required to bear the legend "Caution: Federal law prohibits dispensing without prescription," as well as insulin, or licensed or accepted for a specific diagnosis as listed in the U.S. Pharmacopoeia Publication, DRUG INFORMATION FOR HEALTH CARE PROFESSIONALS. Provided, however, that there is no coverage for:

1. any medicines or drugs which are in the Food and Drug Administration phases I, II, or III testing, whether or not prescribed by a physician;
2. nicotine patches used in smoking cessation programs except for those required for one treatment cycle, not to exceed sixteen weeks.

17. Modify the language of 7.5.A.7 regarding surgical correction of TMJ to permit it in all cases, not just those necessary to correct disorders due to trauma.

7. Medically Necessary surgical correction of disorders ~~due to trauma~~ of the temporo mandibular joint will be covered by the Plan when there is documentation that there is anatomical derangement of the joint and there is significant symptomatology. Such disorders include displacement of the joint meniscus and/or other joint structures coupled with significant locking, clicking, popping and pain sufficient to interfere with the patients' ability to masticate food and otherwise carry on normal oral functions. Pre-approval for these procedures is required and the total amount covered will be the Allowable Charge for the procedure performed. ~~Provided however, that services or supplies for temporo mandibular joint splints, braces, guards are not covered under the Plan. See 9.1.MM.~~

18. Add language to the Durable Medical Equipment provision at 9.1.E specifying that the Plan does not pay for expenses related to air filter systems. The Plan does not currently recognize such expenses, but this language was felt necessary for clarification. See also 9.1.FF.

- E. rental cost, up to the purchase price, of Durable Medical Equipment required for temporary therapeutic use by an individual Covered Person for a specific condition when such equipment is ordinarily used under the direction of a Physician. If such equipment is not available for rent, the monthly payments toward the purchase of the equipment may be approved by the Plan. Equipment, including Durable medical Equipment, which has a non-therapeutic use, purchased or requested by the Subscriber with or without a prescription such as an air conditioner, air filter or air filtration system, dehumidifier, home whirlpool, exercise equipment, ace bandages, tennis shoe supports, knee braces, bandages and gauze and similar equipment, are not Covered Medical Expenses.

19. Add language extending the exclusion for cosmetic surgery to coverage for complications arising out of cosmetic surgery.

EXHIBIT

7

NOV 10 1992

12

STATE BUDGET & CONTROL BOARD

03317

- J. Hospital and Physicians services related to cosmetic surgery, or the complications resulting therefrom. The term cosmetic surgery shall mean a term meaning surgical procedures performed to improve appearance or to correct a deformity without restoring a bodily function. . . .

20. Add language to 9.1.M which excludes coverage for eye examinations and contact lenses extending the exclusion to Radial Keratotomy. The Plan does not currently recognize such procedures, but this language was felt necessary for clarification.

- M. eyeglasses, contact lenses, hearing aids and examination for the prescription or fitting thereof and any hospital or physician's charges related to refractive surgery such as radial keratotomy, keratomileusis, or lamellar keratoplasty and any other procedure the purpose of which is to alter the refractive properties of the cornea;

21. Extend the exclusion for in vitro fertilization to all procedures related to infertility. The modification, recommended by the claims administrator, is necessary as the current language, in place since 1990, has been judged inadequate to apply to similar procedures. The only exception is for those procedures that were begun before the effective date of the exclusion but not completed until after the first of the year.

- V. any service, supply or charge for any procedure to treat infertility in-vitro fertilization, provided, however, that this exception and limitation shall not apply to an in-vitro fertilization procedure provided to a Covered Person which procedure was actually and physically commenced prior to January 1, 1993 under the Predecessor Plan and required continuous treatment for a period of time so that it was not completed until after the Effective Date of this exclusion Plan. No procedure to treat infertility commenced after January 1, 1993 is covered;

22. Add language to the exclusion on Durable Medical Equipment for air filtration systems. The Plan does not currently recognize such charges, but the additional language was felt necessary for clarification.

- FF. Equipment, including Durable Medical Equipment, which has a non-therapeutic use, purchased or requested by the Subscriber with or without a prescription such as an air conditioner, air filter or air filtration system, dehumidifier, home whirlpool, exercise equipment, ace bandages, tennis shoe supports, knee braces, bandages and gauze and similar equipment, are not Covered Medical Expenses.

23. Add an exclusion previously found in the definition of Medical Necessity as follows:

- LL. any medical service, supply or charge which is prescribed or ordered by a physician because an anatomical variation causes psychological problems.

Comment: The same language as formerly found in 2.48.F is used here.

24. Add an exclusion for TMJ related appliances as 9.1.MM. This restores policy in place prior to the current year. A runout period for persons currently undergoing treatment is included.

- MM. any service or supply related to dysfunctional conditions of the muscles of mastication, malpositions or deformities of the jaw bone(s), orthognathic deformities or temporomandibular joint (TMJ) disorders, including office visits, splints, braces, guards, etc. Provided however, this exclusion shall not apply to the Medically Necessary surgical correction of disorders of the temporo mandibular joint that meet the conditions of 7.5.A.7, and provided further that for orthodontic appliances that are in place and part of on-going and continuous treatment for TMJ on January 1, 1993, services and supplies will be covered until the treatment ends, but, regarding braces no later than January 1, 1995, and regarding all other appliances (splints guards etc.) no later than January 1, 1994.

25. Section 10.3 is modified to exclude from the premium waiver a Surviving Spouse who is also a State employee, and those surviving spouses and dependents who kill the employee. Note that even in that event the Plan as now written permits the former spouse to maintain the coverage provided that the full premium is paid. Also, included was a requirement that the Active Employee or Retiree have received a state contribution for his insurance coverage so that the premium waive does not apply unless there was a state contribution to the Active Employee or Retiree.

10.3 Surviving Spouse and/or Dependent Children The Surviving Spouse (~~including a Spouse who is a state Employee~~) and/or Dependent Children of a deceased Active or Retired Employee, including any Child born after the death of the Employee but before the remarriage of the Surviving Spouse, shall be eligible to continue the coverage provided they pay the entire premium without any contribution by the Employer or State, provided however:

- A. The premium due from a Surviving Spouse (~~whether or who is~~ not a state Employee) and/or Dependent Children of a deceased Active or Retired Employee who selected the Economy Plan (Plan A) or the Standard Plan (Plan B) and for which there was a state contribution to the premium shall be waived for one year from the date of the

9 EXHIBIT

NOV 10 1992

1 2

03319

STATE BUDGET & CONTROL BOARD

Employee's or Retiree's death. After one year the Surviving Spouse and Dependent Children shall be eligible to continue the coverage provided that they pay the entire premium for such coverage without any contribution by the Employer or State.

- B. The coverage of a Surviving Spouse provided under this section shall terminate upon remarriage but, in no event shall any Surviving Spouse or Dependent who feloniously and intentionally kills the Active or Retired Employee be entitled to any premium waiver.
- C. The existing coverage of any Dependent Children will not be effected by the remarriage of the Surviving Spouse, but such coverage is subject to all the terms, conditions, limitations and exclusions of the Plan, including the requirement that coverage ceases on the date that a covered Dependent no longer meets the definition of a Dependent.

26. Amend 13.2 to provide for assignment of claims only to those providers who have a signed network contract, or a provider of covered services who was not offered a contract.

13.2 Payment of Claims ~~The Third Party Claims Processor on behalf of the Plan will pay all benefits directly to the Covered Person upon receipt of due proof of loss, and the right to assign any benefits due and payable hereunder is expressly prohibited except as otherwise provided in this paragraph. The Third Party Claims Processor will pay benefits as described in Article 7 Schedule of Benefits of this Plan directly to a Hospital or Skilled Nursing Facility if the Third Party Claims Processor has a written contract with the Hospital or Skilled Nursing Facility that provides for direct payment of benefits. The Third Party Claims Processor will pay benefits as described in Article 7 Schedule of Benefits of this Plan directly to a Physician, or group of Physicians in a Professional Association, only when the Physician or Professional Association has a written contract with the Third Party Claims Processor that provides for direct payment of benefits or the Physician or Professional Association accepts an assignment of benefits or agrees to accept the Allowable Charge as payment in full, and (2) only when the Physician or Professional Association files a Health Insurance Claim Form to the Third Party Claims Processor signed by a Covered Person, completed in full, using procedure codes designated by the Third Party Claims Processor for all services rendered.~~

The new provision should read as follows:

13.2 Payment of Claims The Third Party Claims Processor will pay benefits as described in Article 7 Schedule of Benefits of this Plan directly to a Physician, or

group of Physicians in a Professional Association, or Health Care Professional or Health Care Provider as those terms are defined in the State Health Plan Provider Network Contract automatically, and without any assignment of benefits by the subscriber, when the Hospital, Physician or Professional Association or Health Care Professional or Health Care Provider is a member of the State Hospital Network or State Health Plan Provider Network and files a Health Insurance Claim Form to the Third Party Claims Processor signed by a Covered Person, completed in full, using procedure codes designated by the Third Party Claims Processor for all services rendered.

The right to assign any benefits due and payable hereunder is expressly prohibited. The Covered Person may not assign benefits to any non-Network Physician, Hospital or Provider, except to those Physicians, Hospitals or Health Care Providers identified by DIS, as ineligible for membership in the Networks, or who were not offered and did not decline membership in the State Hospital Network or the State Physician Network. If the non-eligible, or non-solicited Hospital, Physician or Professional Association or Health Care Professional or Health Care Provider accepts the assignment of benefits and files a Health Insurance Claim Form to the Third Party Claims Processor signed by a Covered Person, completed in full, using procedure codes designated by the Third Party Claims Processor for all services rendered, the Third Party Claims Processor will pay the benefits to the provider. Except as provided above, the Third Party Claims Processor on behalf of the Plan will pay all benefits directly to the Covered Person upon receipt of due proof of loss.

End of Plan Changes

EXHIBIT
NOV 10 1992 12
STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 10 1992

13

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 13

AGENCY: Insurance Services

SUBJECT: State Health Plan Provider Networks

The Division advises that all general hospitals in the state have renewed agreements to participate in the State Health Plan Hospital Network in 1993. The four general hospitals in Augusta, Georgia also have agreed to participate in 1993.

Approximately 3,500 providers have signed up in the State Health Plan Physician Network. A listing of the providers currently enrolled, by specialty and by geographic area, is attached. The geographic areas were developed using Division of Research and Statistical Services hospital out-migration data and include counties which generally are common to one another with regard to medical services.

The Division continues to accept applications to join the Network. Blue Cross provider relations personnel are focusing recruitment efforts on practices with high State Plan business volume that have not yet agreed to participate and on hospital-based practices that have not yet signed up.

Plan subscribers should receive the initial directory of providers by mid-December. Supplements to the directory will be published periodically.

BOARD ACTION REQUESTED:

Receive as information a report on the status of the State Health Plan Hospital Network and the State Health Plan Physician Network.

ATTACHMENTS:

Agenda item worksheet; list of Hospital Network participating facilities; grid of Physician Network participant county by specialty and by geographic area

03322

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (9/91)

Meeting Scheduled For:

November 10, 1992

☒ Blue Agenda
☐ Regular Session
☐ Executive Session

1. Submitted By: (a) Agency: Division of Insurance Services
(b) Authorized Official Signature: *James E. Bennett*

2. Subject: State Health Plan provider networks

3. Summary Background Information:

All general hospitals in South Carolina have renewed agreements to participate in State Health Plan Hospital Network in 1993. The four general hospitals in Augusta, Georgia have also agreed to participate in 1993.

We have around 3500 providers now signed up in the State Health Plan Physician Network. Attached is a listing of the number of providers currently enrolled by specialty and by geographic area. The geographic areas were developed using Division of Research and Statistical Services hospital outmigration data and include counties which are generally common to one another with regard to medical services.

We continue to accept applications to join the Network. Blue Cross provider relations personnel are focusing recruitment efforts on practices with high State Plan business volume that have not yet agreed to participate, and hospital-based practices that have not yet signed up.

The initial directory of providers has gone to press. Plan subscribers should expect to receive this directory in early-to-mid December. Supplements to the directory will be published periodically.

4. What is Board asked to do? Receive as information

5. What is recommendation of Board Division involved? N/A

6. Recommendation of other office (as required)?

Office Name: _____
Authorized Signature

7. Supporting Documents:

List Those Attached: _____
List not attached but available:

List of State Health Plan Hospital Network participating facilities.

Grid of State Health Plan Physician Network participant count by specialty and by geographic area.

03323

State Health Plan Hospital Network Facilities

(All general hospitals in South Carolina and Augusta, Georgia, are participating.)

Abbeville County Memorial Hospital (Abbeville)
Aiken Regional Medical Center (Aiken)
Allen Bennett Memorial Hospital (Greer)
Allendale County Hospital (Fairfax)
Anderson Memorial Hospital (Anderson)
B.J. Workman Memorial Hospital (Woodruff)
Baker Hospital (Charleston)
Bamberg County Memorial Hospital (Bamberg)
Baptist Medical Center (Columbia)
Baptist Medical Center (Easley)
Barnwell County Hospital (Barnwell)
Beaufort County Memorial Hospital (Beaufort)
Bruce Hospital System (Florence)
Byerly Hospital (Hartsville)
Cannon Memorial Hospital (Pickens)
Charleston Memorial Hospital (Charleston)
Chester County Hospital (Chester)
Chesterfield County Hospital (Cheraw)
Clarendon Memorial Hospital (Manning)
Colleton Regional Hospital (Walterboro)
Conway Hospital (Conway)
Doctors Memorial Hospital (Spartanburg)
East Cooper Community Hospital (Mt. Pleasant)
Edgefield County Hospital (Edgefield)
Elliott White Springs Memorial Hospital (Lancaster)
Fairfield General Hospital (Winnsboro)
Florence General Hospital (Florence)
Georgetown Memorial Hospital (Georgetown)
Grand Strand General Hospital (Myrtle Beach)
Greenville General Hospital (Greenville)
Greenville Memorial Hospital (Greenville)
Hampton General Hospital (Varnville)
Hillcrest Hospital (Simpsonville)
Hilton Head Hospital (Hilton Head Island)
Hope Hospital (Lockhart)
Humana Hospital (Augusta)
Kershaw County Memorial Hospital (Camden)

Laurens County Hospital (Clinton)
Lee County Memorial Hospital (Bishopville)
Lexington Medical Center (West Columbia)
Loris Community Hospital (Loris)
Low Country General Hospital (Ridgeland)
Lower Florence County Hospital (Lake City)
MUSC Medical Center (Charleston)
McLeod Regional Medical Center (Florence)
Marion Memorial Hospital (Marion)
Marlboro Park Hospital (Bennettsville)
Mary Black Memorial Hospital (Spartanburg)
Medical College of Georgia Hospital (Augusta)
Mullins Hospital (Mullins)
Newberry County Memorial Hospital (Newberry)
North Greenville Hospital (Travelers Rest)
Oconee Memorial Hospital (Seneca)
Piedmont Medical Center (Rock Hill)
Providence Hospital (Columbia)
Regional Medical Center of Orangeburg & Calhoun
Counties (Orangeburg)
Richland Memorial Hospital (Columbia)
Roper Hospital (Charleston)
Saint Eugene Community Hospital (Dillon)
Saint Francis Hospital (Greenville)
Saint Francis Xavier Hospital (Charleston)
Self Memorial Hospital (Greenwood)
Spartanburg Regional Medical Center (Spartanburg)
St. Joseph Hospital (Augusta)
Trident Regional Medical Center (Charleston)
Tuomey Regional Medical Center (Sumter)
University Hospital (Augusta)
Upstate Carolina Medical Center (Gaffney)
Wallace Thomson Hospital (Union)
Williamsburg County Memorial Hospital (Kingstree)
Wilson Clinic and Hospital (Darlington)
Women's Center of Carolinas Hospital System
(Florence)

EXHIBIT

NOV 10 1992

13

STATE BUDGET & CONTROL BOARD

Number of State Health Plan Physician Network Physicians by Specialty/Area

Specialty	Greenville/ Anderson Area	Greenwood Area	Spartanburg Area	Rock Hill/ Lancaster Area	Columbia Area	Aiken/ Augusta Area	Orangeburg Area	Beaufort Area	Charleston Area	Horry/ Georgetown Area	Florence Area	Sumter Area
Family Practice/General Medicine	85	17	35	27	76	38	18	8	46	24	51	10
Obstetrics/Gynecology	41	10	12	9	57	32	5	6	56	15	19	8
Pediatrics	30	0	10	11	45	54	7	3	40	4	12	5
Internal Medicine	26	1	11	7	42	22	3	4	61	14	24	3
Allergy/Immunology	2	0	1	6	5	2	0	0	3	1	1	0
Cardiology	14	2	11	18	27	15	6	5	25	2	9	2
Dermatology	15	1	0	0	15	5	1	2	15	0	0	0
Ear, Nose & Throat	14	1	5	3	14	9	1	3	15	2	5	1
Endocrinology	0	0	0	0	3	4	0	0	5	0	1	1
Gastroenterology	12	2	1	5	14	6	1	3	8	2	4	2
Geriatrics	0	0	1	0	1	1	0	0	2	0	0	1
Hematology/Oncology	2	0	3	1	9	18	1	1	6	0	1	0
Infectious Diseases	4	0	1	0	2	3	0	0	3	0	0	0
Nephrology	6	0	0	2	2	11	1	0	1	1	1	2
Neurology	5	1	2	1	8	15	0	0	12	3	4	1
Occupational Medicine	0	0	0	0	0	1	0	0	2	0	0	0
Ophthalmology	27	6	3	12	23	13	4	7	34	6	8	2
Orthopaedics	36	5	7	11	34	22	2	1	34	9	13	3
Physical Medicine	1	0	0	0	1	2	0	0	5	0	1	0
Pulmonary Disease	6	1	4	2	3	4	1	0	5	1	1	1
Rheumatology	0	0	0	0	6	1	0	0	4	0	1	0
Urology	18	0	9	0	16	9	2	1	19	6	9	2
Anesthesiology/CRNAs	34	8	6	19	29	38	4	1	53	13	21	4
Emergency Medicine	11	2	17	6	45	17	6	6	33	19	21	2
Pathology	7	0	0	4	25	15	0	1	29	7	8	2
Radiology	39	4	2	3	37	21	4	11	45	13	6	4
General Surgery	34	6	9	8	15	16	3	5	35	14	17	6
Cardiac/Vascular/Thoracic Surgery	12	3	13	6	32	10	0	0	16	2	1	1
Colon & Rectal Surgery	2	0	2	0	2	0	0	0	3	0	0	0
Neurological Surgery	0	0	0	0	7	8	0	0	12	2	2	0
Plastic Surgery	5	1	4	1	7	7	0	0	11	0	1	0
Oral Surgery	0	0	1	3	7	5	1	0	12	3	0	0
Physical Therapy	17	4	3	6	7	0	0	0	14	2	1	0
Chiropractic	27	7	23	6	39	10	5	5	44	15	18	6
Podiatry	8	0	1	2	8	5	0	1	6	4	1	1
Other	1	0	0	1	0	4	0	0	2	1	0	0
<div> <div> Prepared by: State Budget and Control Board Division of Insurance Services 1201 Main Street, Suite 300 Columbia, South Carolina 29201 November 1992 </div> <div> 03325 </div> </div>												
	Anderson Greenville Oconee Pickens	Abbeville Greenwood Laurens McCormick Saluda	Cherokee Spartanburg Union	Chester Lancaster York Metro- Charlotte, NC	Fairfield Kershaw Lexington Newberry Richland	Aiken Barnwell Edgefield Metro- Augusta, GA	Allendale Bamberg Calhoun Orangeburg	Beaufort Hampton Jasper	Berkeley Charleston Colleton Dorchester	Georgetown Horry	Chesterfield Dillon Darlington Florence Marion Marlboro Williamsburg	Clarendon Sumter Lee

EXHIBIT

NOV 10 1992

1 4

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 14

AGENCY: Budget and Control Board

SUBJECT: 1993 Regular Meeting Schedule

The following dates are proposed for regular Budget and Control Board meetings for calendar year 1993:

January 12
February 16
March 9
April 20
May 11
June 8
July 15
August 10
September 14
October 14
November 9
November 23
December 14

BOARD ACTION REQUESTED:

Agree to hold regular Budget and Control Board meetings on the following dates in calendar year 1993: January 12; February 16; March 9; April 20; May 11; June 8; July 15; August 10; September 14; October 14; November 9; November 23; December 14.

ATTACHMENTS:

03326

EXHIBIT

NOV 10 1992

15

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER /

AGENCY: Workers' Compensation Fund

SUBJECT: Trust Fund Expenditure

At its meeting on October 13, 1992, the Board, in accord with Code Section 42-7-90, authorized the Workers' Compensation Fund to expend from its trust fund up to \$106,000 to employ experts to research and develop a plan of operation under which the Fund could, if required, respond to a mandate to serve a broader market.

Fund Director Irvin Parker now advises that the amount required to do the plan is \$206,240 rather than \$106,000. He advises that the Fund had focused on the concept of the plan and the authorization to develop it and had overlooked the erroneously typed amount presented in his proposal.

BOARD ACTION REQUESTED:

In accord with Code Section 42-7-90, authorize the Workers' Compensation Fund to expend from its trust fund up to \$206,240, rather than \$106,000 as authorized previously, to employ experts to research and develop a plan of operation under which the Fund could, if required, respond to a mandate to serve a broader market.

ATTACHMENTS:

Parker October 16 letter; proposal

03327

October 16, 1992

Irvin D. Parker
Director

Ms. Donna K. Williams
Assistant Executive Director
and Secretary to the Board
State Budget and Control Board
P. O. Box 12444
Columbia, S. C. 29211

EXHIBIT

NOV 10 1992

15

STATE BUDGET & CONTROL BOARD

Dear Ms. Williams:

Pursuant to our telephone conversation this date I am enclosing a copy of the proposal we obtained earlier this year which shows the amount required to do the Plan is \$206,240 and not \$106,000. I intended to seek approval for \$206,000 and simply made a typographical error in the material I sent to you.

Since we were dwelling principally on the concept of and authorization to develop a Plan of Operation, I simply kept overlooking the erroneously typed amount.

I understand that you will run this back before the Board at its November 10th meeting.

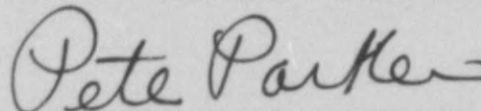
I will await transferring any funds relating to the Plan of Operation until this is corrected.

Please let me know if you need anything else from me.

I apologize and am embarrassed. It was all my fault.

Sincerely,

STATE WORKERS' COMPENSATION FUND



Irvin D. Parker
Director

03328

IDP/se

April 21, 1992

Mr. Pete Parker
Director
State Workers Compensation Fund
800 Dutch Square Boulevard, Suite 160
Post Office Box 102100
Columbia, South Carolina 29221-5000

Dear Mr. Parker:

Ernst & Young is pleased to submit the attached proposal to serve the State Workers Compensation Fund and the State of South Carolina in formulating a Plan of Operation for the proposed comprehensive State Fund.

Thank you for this opportunity. Please contact me at 312/606-2156 if you have any questions.

Very truly yours,



Lee M. Smith
Partner

03329

*Proposal to Render Actuarial
Services to the State Workers Compensation Fund
of South Carolina*

Nature of Engagement

A Bill (S.1231) has been introduced in the Senate of the State of South Carolina which is expected to provide, on a contingent basis, for establishment of a new Workers Compensation (WC) Fund chartered to write any risk in the State of South Carolina. As the Bill is presently worded, a board made up of the Commissioner of Insurance and representatives of the Workers Compensation Commission and the Budget and Control Board will be vested with the authority to decide when and if the state of the market for Workers Compensation ("WC") in South Carolina warrants establishment of said Fund.

When and if such a decision is taken, the Fund will come into being under a Plan of Operation (the "Plan") prepared by the present State WC Fund (the "Fund") and previously approved by the special board mentioned above.

Ernst & Young is grateful for this opportunity and is pleased to propose its services in the preparation of this Plan of Operation. In the remainder of this proposal, we will set forth our understanding of the engagements and the services required of us, our unique qualifications for this task, and proposed workplans with estimates of the costs involved.

03330

Our Understanding of the Project

The version of Senate Bill S.1231 set forth in the Committee Report of March 12, 1992, stipulates the Plan of Operation, which must be completed within twelve months of enactment, must provide for:

- An actuarially sound initial reserve as recommended by the Fund's consulting actuary.
- Initially awarding contracts to private companies.
- Formal application for insurance through licensed agents and brokers.
- Reasonable agent's commissions.
- Initial minimum underwriting standards.
- "Such additional provisions as the Budget and Control Board might require to ensure a financially and actuarially sound implementation of the Plan should it be required."

It is clear to us from these stipulations that the Legislature intends a free-standing entity and a framework wherein the WC system will bear its own costs and not impose a burden on the Treasury and the People of the State. In a preliminary conference with the management of the Fund, we have identified a number of essential areas which will have to be addressed and provided for in a complete Plan of Operation. These are under several headings:

- Management and Governance
 - Constitution of Governing Body
 - Duties of Officers
 - Provisions for Contracting Out Services
- Loss Control Services
- Underwriting/Pricing
 - Applications and Policy Forms
 - Rates and Rating Plans
 - Commissions and Agent Authority
 - Acceptance Standards
- Claims Administration
 - Procedures
 - Case Reserving Policy
- Investments
- Financial
 - Accounting
 - Actuarial Services

- Capitalization
- Cash Flow
- Market Penetration
- Human Resources
 - Staffing Timetables
 - Salary Structure
 - Labor Market
- Legal and Regulatory
 - Extraterritorial Provisions
 - Special Restrictions
 - Statistical Reporting
- Data Processing Support
 - Capacity Needs
 - Sourcing

It is our understanding that the new Fund would be administered in the framework of the existing Fund but that accounting and capitalization would be separate so that there would be no commingling of monies. Hence the Plan must make provision for allocation of administrative expenses to more than one Fund account. Our report detailing the Plan will address this problem.

We also undertake to provide whatever expert testimony is required under a budget to be negotiated separately.

We understand that such a Plan will not be a detailed recipe for the administration of such a Fund; rather, it will provide explicit guidance on important policy questions and set forth allowable options on any other matters that require mention. Otherwise the new Fund is expected to operate as an insurance enterprise.

We anticipate submitting a proposed plan in draft form to the management of the Fund for consideration and discussion with the special board and with members of the legislature. When all parties are satisfied with the draft, we will submit a final report to the Fund and present our findings in Columbia.

Ernst & Young and the Insurance Industry

Ernst & Young is the leading international professional services organization with specific credentials in all areas of expertise required by this project. We have over 68,000 people in over 600 offices worldwide. In the United States we have 25,000 people in over 120 offices. In particular, our insurance consulting group is comprised of highly qualified professionals with actuarial science, computer auditing, statistical analysis, financial and management consulting experience.

Ernst & Young provides top quality Actuarial, Accounting, Auditing, Tax, Insurance Systems, Management Consulting, and Risk Management services to over 2,000 Property/Casualty and Life/Health Insurance Companies worldwide. In the United States, our more than 1,100 insurance audit clients include more of A.M. Best's largest 400 insurance companies than any other firm.

We recognize that size alone does not assure quality service. However, when viewed in conjunction with our commitment to our clients, size may be useful in confirming the depth and breadth of our resources. Effective and efficient use of these resources is reflected in the full range of services we provide to thousands of organizations engaged in government, insurance, health care, industrial, financial, retail, and other activities. Included among our large U.S. client base are:

- A variety of state and federal regulatory agencies.
- 40 of *Best's* top 200 Property/Casualty Insurance Companies.
- Over 1,200 health care organizations including 40 of the 100 largest nongovernmental hospitals.
- 66 of *Best's* top 200 Life Insurance Companies.
- 27 of the 76 Blue Cross/Blue Shield companies.
- 77 of *Health Market Survey's* 354 federally qualified HMOs.
- 65 of *Modern Healthcare's* 182 largest multihospital systems.

Ernst & Young Actuarial Services

Ernst & Young employs a unique, multi-disciplined approach to actuarial services. The Casualty Actuarial Practice now numbers over 20 credentialed actuaries in 5 major offices, while our combined Casualty, Life, Health, Pension and Risk Management Practice has over 100 professional actuarial staff and executives. This gives our clients a breadth of expertise not available from other consulting firms. Our innovative approach helps companies meet the challenges of growing and prospering in an ever-changing and increasingly competitive environment. We emphasize cooperation among our professionals and strive to bring together our best actuarial talent to our clients, such as the Fund.

Our actuarial services include:

- **Loss Reserves** - providing analyses and recommendations for the carrying values of loss reserve levels.
- **Actuarial Opinions** - certifying property/casualty loss and expense reserves with independent opinions.
- **Self-Insured Pools** - analyzing the feasibility of self-insured pools and determining appropriate funding levels for self-insured pools.
- **Product Profitability** - reviewing and consulting on product design and agent's compensation, and performing profit testing as well as analysis of expected statutory and GAAP earnings.
- **Statistical Modeling** - analyzing loss distribution, experience trends, rate level effects, and liability variation.
- **Property/Casualty Rating** - analyzing rates and rate classification and developing rating approaches and formulas.
- **Reinsurance** - analyzing reinsurance needs and costs.
- **Strategic Planning** - reviewing the strategic objectives of an organization, its capabilities, and the development of business plans that help a company reach its objectives.

Ernst & Young's Casualty Actuarial Consulting Practice has experienced substantial growth over the past several years to become one of the top three actuarial firms in number of credentialed actuaries. Our experience and client base is diverse, from large complex multi-line insurance companies to small single-line/state insurance companies; from self-insured groups to a number of state insurance departments.

EXHIBIT

NOV 10 1992

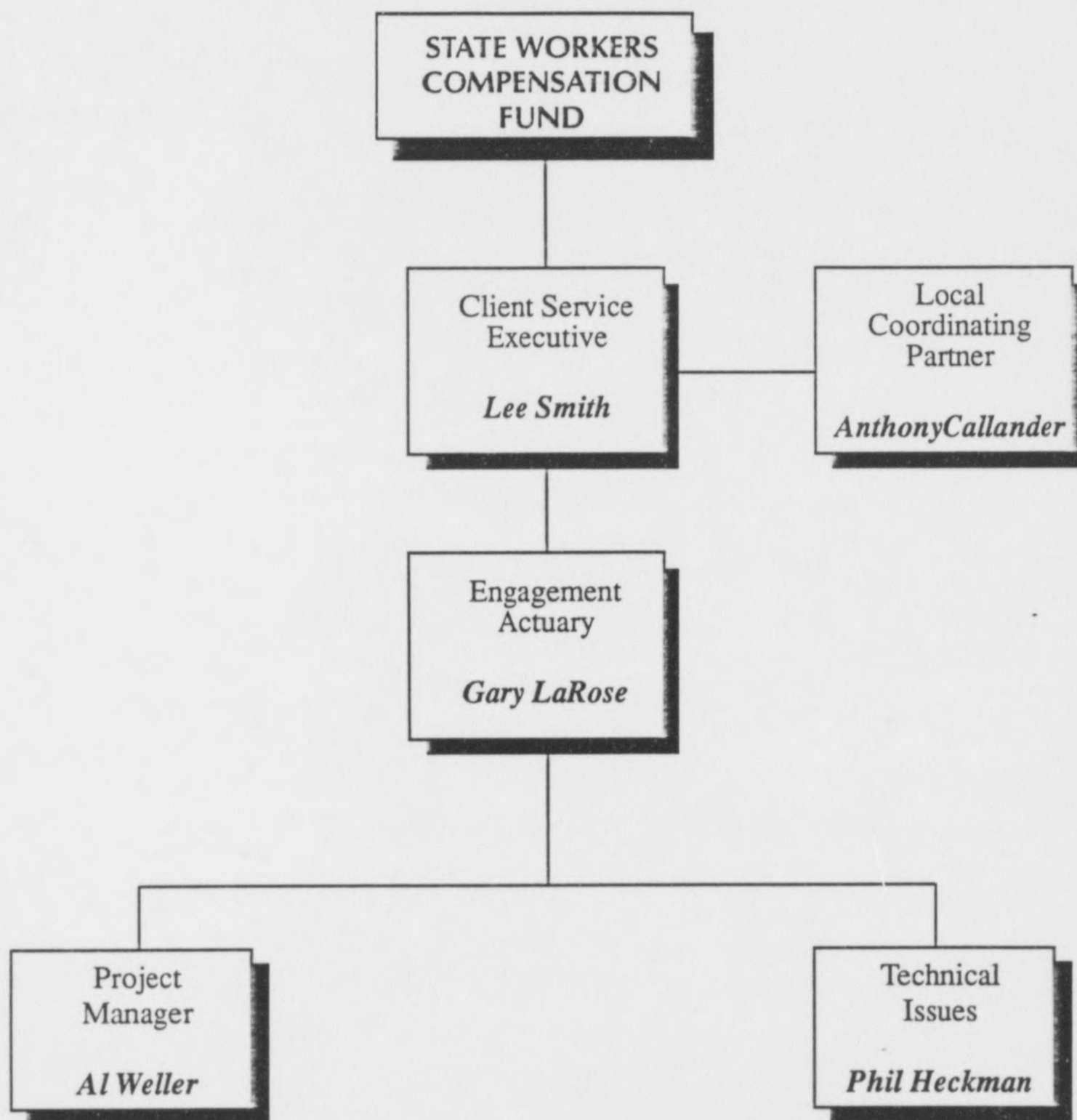
15

STATE BUDGET & CONTROL BOARD

03334

STATE WORKERS
COMPENSATION
FUND

Our Team To Serve



Our Team to Serve the Fund

Ernst & Young considers this project to be of the greatest priority and an important challenge to the firm and its resources. The opportunity to assist in the foundation of such an enterprise and to help to put it on a sound basis is an exciting one. Accordingly, we have assembled a team unique in its familiarity with the situation in South Carolina and in its broad experience in Workers Compensation.

The team we have selected to serve the Fund is comprised of our firm's leadership in actuarial matters, insurance industry information technology, regulation, accounting and reporting, and strategic issues. They enjoy outstanding reputations among industry and regulatory leaders because of their demonstrated abilities and their commitment to responsible involvement in dealing with key industry issues. And, they are committed to personal, hands-on involvement in the conduct of this engagement.

The actuaries who are the project leaders, directors and managers of our team represent over 100 years of experience and industry involvement. They have worked together many times.

These actuaries, and their outstanding support team members and advisors, fully understand the importance of this project to the Fund, the insurance industry and our firm. That is why they are on our team. We do not believe that any other organization can commit this level of expertise. We also believe that the Fund needs this commitment to ensure a successful project.

Brief discussions of the credentials and engagement roles of our team leaders follow. Expanded credentials of all of our team members follow these descriptions.

Lee M. Smith, FCAS, MAAA, Managing Partner of the the Great Lakes Actuarial Services Group, will serve as Client Service Executive and will have primary responsibility to see that the Fund's needs are served on a timely basis and that the firm's quality standards are upheld. Lee has over twenty years of actuarial experience, including seven years as Chief Actuary for the State of Michigan.

Anthony Callander, Managing Partner of Ernst & Young's Columbia office, will serve as local Coordinating Partner to ensure that schedules are met, that quality products are delivered on a timely basis, and that new developments arising locally are communicated to the project team.

J. Gary LaRose, FCAS, MAAA, Senior Consulting Actuary in the Great Lakes Actuarial Services Group, will be Engagement Actuary. Gary has been Consulting Actuary to the State WC Fund for six years and also serves the Second Injury Fund and the Uninsured Employers Fund. He will coordinate the efforts of the project team and apply his thorough knowledge of the State Fund and of the South Carolina Workers Compensation system.

Alfred Weller, FCAS, MAAA, Senior Consulting Actuary in the East Region Actuarial Services Group, is one of the firm's leading experts on Workers Compensation. Al has worked for the National Council on Compensation Insurance (NCCI) and serves as Consulting Actuary for the Oregon State Fund. He will apply his special knowledge of compensation as Project Manager.

Philip E. Heckman, Ph.D., ACAS, MAAA, Senior Consulting Actuary in the Great Lakes Actuarial Service Group, will coordinate technical support for the project. Phil has also served the State Fund on a number of occasions, including feasibility studies of proposals to expand the Fund's underwriting authority. The present assignment is a logical extension of that work.

Detailed resumes of the project team follow.

03337

Lee M. Smith, FCAS, MAAA, FCIA
Partner

Lee Smith is a Partner and Director of Ernst & Young's Great Lakes Actuarial Service Group. He is responsible for ratemaking, financial, management, reserving, and other actuarial services provided to government, industry, and other clients. Among his clients are USF&G, Safeco, Transamerica, and Employers Reinsurance Corporation.

Prior to joining Ernst & Young, Mr. Smith was president of his own consulting firm, Midwest Casualty Actuaries. The firm provided a full range of actuarial consulting services to a wide variety of clients.

Prior to Midwest Casualty Actuaries, Mr. Smith served seven years with the State of Michigan as Chief Actuary and Policy Director, where he was responsible for review of rate submissions for all lines of insurance, evaluation of legislative and public policy initiatives, financial analysis of the insurance industry in Michigan, and participation on the various Committees of the National Association of Insurance Commissioners. Mr. Smith was a key person in the implementation of Michigan's No-Fault auto insurance system, helped develop an alternative medical malpractice insurance mechanism, implemented Michigan's Essential Insurance Act, analyzed Workers Compensation experience in Michigan, analyzed the state's health insurance system, and developed databases and procedures for regulatory review.

Mr. Smith's background experience is extensive in all areas, including academic, government, insurance industry, and consulting. He taught Actuarial Science at the University of Connecticut, and was a lecturer and administrator in the Graduate School of Business at the University of Michigan.

Education:

Bachelor of Science in Finance - Northern Illinois University
Master of Arts in Economics - Trinity College

Professional Designations:

Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries
Fellow, Canadian Institute of Actuaries

Publications:

"Profit Measurement in Workers Compensation Insurance," Journal of Insurance Regulation, March, 1983.

EXHIBIT

NOV 10 1992 15

STATE BUDGET & CONTROL BOARD

03338

Anthony A. Callander, CPA, CMA
Partner

Tony Callander is Office Managing Partner of the Columbia office. He has responsibility for all of Ernst & Young's services to clients in the Midlands and Coastal regions of South Carolina.

Mr. Callander serves a diverse range of clients, including those in insurance, health care, not-for-profit, government, manufacturing, distribution, and financial services.

Education:

Bachelor of Science in Accounting - University of South Carolina
Masters of Accountancy - University of South Carolina

Professional Designations:

Certified Public Accountant
Certified Management Accounting

*J. Gary LaRose, FCAS, MAAA, FCA
Senior Consulting Actuary*

Gary LaRose is a Senior Consulting Actuary in Ernst & Young's Great Lakes Actuarial Services Group. He is responsible for ratemaking, reserving, reinsurance, and other actuarial services provided to government, industry, and other clients.

Prior to joining Ernst & Young, Mr. LaRose was Assistant Secretary with Employers Reinsurance Corporation and head of the actuarial department.

Mr. LaRose's recent work related to workers compensation includes clients such as Fremont Pacific Insurance Group, Pacific Rim, Pacific States, State Workers' Compensation Fund (South Carolina), Transamerica Insurance Group, and Protective Insurance Company.

Education:

Bachelor of Arts in Mathematics - Andrews University
Master of Science in Mathematics - University of Notre Dame

Professional Designations:

Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries
Fellow, Conference of Consulting Actuaries

Publications:

"Reinsurance Loss Reserving," Society of Insurance Research, 1983.

"A Note on Loss Distributions," Proceedings of the Casualty Actuarial Society, 1982.

*Alfred O. Weller, FCAS, MAAA, FCA
Senior Consulting Actuary*

Al Weller is a Senior Consulting Actuary in Ernst & Young's Northeast Actuarial Services Group. He is responsible for management and casualty actuarial consulting, risk management services, and audit support.

Prior to joining Ernst & Young, Mr. Weller was Vice President & Chief Actuary of the Risk Management Services Division of Fred S. James & Co. Inc.

Mr. Weller is a recognized expert in workers compensation and has been involved in virtually all aspects of workers compensation insurance. Mr. Weller's recent work in workers compensation at Ernst & Young includes clients such as Colorado Compensation Insurance Authority, New York State Insurance Fund, SAIF Corporation, and Workers' Compensation Reinsurance Bureau.

Education:

Bachelor of Arts In Mathematics - Swarthmore College
Master of Arts in Statistics - Indiana University

Professional Designations:

Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries
Fellow, Conference of Consulting Actuaries

Publications:

Discussion of "The 1979 NCCI Remarriage Table" by Philip E. Heckman, Proceedings of the Casualty Actuarial Society, LXIX, 1982, pp. 110-113

"Generalized Bondy Development" Papers for the XXI ASTIN Colloquium available from the Casualty Actuarial Society office.

*Philip E. Heckman, Ph.D., ACAS, MAAA
Senior Consulting Actuary*

Phil Heckman is a Senior Consulting Actuary in Ernst & Young's Great Lakes Actuarial Services Group. He is responsible for ratemaking, reserving, reinsurance, statistical and other actuarial services provided to government, industry, and other clients.

Prior to joining Ernst & Young, Mr. Heckman was with CNA Insurance Companies for almost thirteen years, where he worked on solving business problems, mainly actuarial ones, by applying statistical methods. He also spent time at CNA as an actuarial analyst in the reserving area specializing in workers compensation pension reserves.

Mr. Heckman's recent work related to workers compensation includes clients such as Fremont Pacific Insurance Group, State Workers Compensation Fund (South Carolina), Florida House of Representatives, and Minnesota Workers Compensation Assigned Risk Plan.

Education:

Doctor of Philosophy in Physics - University of Chicago
Master of Science in Physics - University of Chicago
Bachelor of Science in Physics and Mathematics - Purdue University

Professional Designations:

Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

Publications:

"The 1979 NCCI Remarriage Table," Proceedings of the Casualty Actuarial Society, LXIX, 1982.

"The Calculation of Aggregate Loss Distributions from Claim Severity and Claim Count Distributions," with Glenn G. Meyers, Proceedings of the Casualty Actuarial Society, LXXI, 1984 (Woodward-Fondiller Prize)

"Credibility and Solvency," Pricing Property and Casualty Insurance Products, Casualty Actuarial Society, 1980.

"Optimization of Excess Portfolios," with Phillip N. Norton, Pricing Underwriting and Managing the Large Risk, Casualty Actuarial Society, 1982 (Michelbacher Prize)

EXHIBIT

NOV 10 1992

15

STATE BUDGET & CONTROL BOARD

03342

Workplan and Cost Estimates

The current version of S.1231 mandates completion of the Plan within twelve months of enactment of the legislation. From our preliminary conversations, we anticipate that events may possibly move somewhat faster than that and have planned for a tighter timeframe.

Given a start date in early May, 1992, we can undertake to deliver a draft of our report, including the proposed Plan of Operation, for review and amendment in mid-August. The finished report, including the approved Plan of Operation, can then be ready by late September. Such a timetable would than give ample time at the detail level to prepare for the trigger event, should it occur.

The work falls naturally into five phases:

- Consultation
- Research and Analyses
- Drafting
- Review and Amendment
- Presentation

Because of the nature of this project, we recommend periodic interim reports be provided to the responsible state officials. This will allow for adjustments as information is developed and assimilated. The nature and scope of the final product will best be defined in the course of the project as knowledge develops.

The attached worksheet gives a projected breakdown of time and costs by staff level and by activity. This structure will be reviewed periodically in the course of our engagement. Please note that the cost of each project component is separately identified, allowing for specific calculation of the effect of changes in project scope.

South Carolina Workers' Compensation Fund
Plan of Operation for Comprehensive State Fund
Pursuant to Senate Bill 1231
Project Workplan

Project Phase/Step	Assumed	Projected Hours by Staff Level/Hourly Rate				
	Start					
	Date					
	5/1/92 Target Date	Partner \$300	Senior Consulting Actuary \$270	Manager/ Consulting Actuary \$180	Staff \$130	All Levels \$270
Consultation Phase	6/5/92					0
Interviews with Commissioners of Insurance & WC & Rep. of Budget & Control Bd.		16	32	16	8	72
Interviews with Personnel from Other State Funds			32	32	8	72
Collate and Tabulate Interview Results			16	16	16	
Research and Analysis Phase	7/31/92					
Review Charters of Other Funds			48	48	48	144
Design Provisions for South Carolina		16	48	48		112
Test Quantitatively where Necessary			60		60	120
Drafting Phase	8/21/92					
Collate Provisions			16	16		32
Compose Draft			24	24	16	64
Review Internally		12	24	24		60
Review and Amendment	9/25/92					
Distribute Draft to Stakeholders	8/21/92		4		8	12
Review Comments and Amendments	9/11/92	6	24	24		54
Compose & Review Final Version	9/25/92	12	24	24	16	76
Presentation	9/30/92					
Distribute Final Report			4		8	12
Present Results Onsite		14	24	8		46
Engagement Fees :		\$22,800	\$102,600	\$50,400	\$24,440	\$200,240
Out-of-Pocket (estimated):						\$6,000

206,240

EXHIBIT

NOV 10 1992

15

STATE BUDGET & CONTROL BOARD

Ernst & Young

03344

EXHIBIT

NOV 10 1992

16

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 1A

AGENCY: Governor's Office

SUBJECT: Concurrent Jurisdiction in Charleston and Beaufort

The Governor's Office advises that the Department of the Navy has requested adjustment of the legislative jurisdiction held by the United States over certain areas in Charleston and Beaufort to obtain concurrent federal/state jurisdiction over designated areas of land (Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston; and Naval Hospital in Beaufort). This process was originated by the Navy in 1983.

The concurrent jurisdiction permits military and/or civilian law enforcement officers to enforce pertinent federal, state, or local laws on military installations. Without concurrent jurisdiction, it is difficult or impossible to enforce local and state laws. The federal/state concurrent jurisdiction will enhance law enforcement for both military and civilian authorities, a goal that is consistent with state and local interests on the issue of criminal justice and the State's efforts to show goodwill in retaining military installations.

The Attorney General's Office has advised that state or local entities will not be obligated or incur any greater liability than already exists where the state has sole jurisdiction. Once concurrent jurisdiction is established, the Navy will be able to initiate negotiation of Memorandums of Understanding with local authorities which will allow federal/local authorities to determine the scope of activity and proper procedure of the areas.

Local authorities have expressed a positive attitude toward the proposal and anticipate no major changes in their relationship with the Navy. They concur that it is practical and a good agreement to have in place.

BOARD ACTION REQUESTED:

In accord with Code Section 3-1-150, accept legislative jurisdiction relinquished by the United States so as to cause certain areas (Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston and Naval Hospital in Beaufort) to be brought under the concurrent legislative jurisdiction of the United States of America and the State of South Carolina.

ATTACHMENTS:

Code Section 3-1-150; Hottel November 5 memo; Concurrent Legislative Jurisdiction between South Carolina and the United States, Parts A and B

03345

§ 3-1-150. Acceptance of relinquishment of United States jurisdiction by Budget and Control Board.

Whenever a duly authorized official or agent of the United States, acting pursuant to authority conferred by the Congress, notifies the Budget and Control Board or any other State official, department or agency, that the United States desires or is willing to relinquish to the State the jurisdiction, or a portion thereof, held by the United States over the lands designated in such notice, the Budget and Control Board may, in its discretion, accept such relinquishment. Such acceptance may be made by sending a notice of acceptance to the official or agent designated by the United States to receive such notice of acceptance. The Budget and Control Board shall send a signed copy of the notice of acceptance, together with the notice of relinquishment received from the United States, to the Secretary of State, who shall maintain a permanent file of the notices.

Upon the sending of the notice of acceptance to the designated official or agent of the United States, the State shall immediately have such jurisdiction over the lands designated in the notice of relinquishment as the notice shall specify.

The provisions of this section shall apply to the relinquishment of jurisdiction acquired by the United States under the provisions of §§ 3-1-110 and 3-1-120.

HISTORY: 1962 Code § 39-141; 1974 (58) 2673.

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03346



State of South Carolina

Office of the Governor

CARROLL A. CAMPBELL, JR.
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

November 5, 1992

MEMORANDUM

To: Luther F. Carter, Executive Director, South Carolina Budget and Control Board

From: Don Hottel, Deputy Director, Office of Research, Governor's Office *DH*

cc: Donna Williams, Secretary to the Board

Re: Federal (U.S. Navy) efforts to establish concurrent jurisdiction for certain areas in Charleston and Beaufort, South Carolina

Request: The Department of the Navy requests adjustment of the legislative jurisdiction held by the United States over certain areas in Charleston and Beaufort, South Carolina. The adjustment obtains concurrent federal/state jurisdiction over the areas herein noted.

Concurrent Jurisdiction permits law enforcement authorities (military and/or civilian) to enforce pertinent federal, state or local laws *on military installations*. Without concurrent jurisdiction, local and state laws cannot be or are difficult to enforce.

Status: In a process that the Navy originated in 1983, was sent by the Navy to the Riley administration in 1986, was passed on from the Riley administration, and subsequently has circulated among the Navy, the SC Attorney General's office and the Governor's Office, the Department of the Navy and the State of South Carolina are nearing final action on establishing concurrent jurisdiction between the United States and the State of South Carolina for designated areas of land at the Charleston Naval Base and the Naval Hospital in Beaufort.

Background: The Navy's goal is to obtain concurrent federal/state jurisdiction to enhance law enforcement for military and civilian authorities. That goal is consistent with local and state interests on the issue of criminal justice and the state's efforts to show goodwill in retaining our military installations. Currently, the Navy has three kinds of jurisdiction (exclusive, concurrent, and proprietary) over these areas. Resolution of this issue will clarify the status of a number of internal Naval jurisdictional questions.

03347

The South Carolina Attorney General's Office has been involved in this process since 1987 (involving advice and suggestions regarding the clarification of land areas affected; review of the relevant Code sections regarding procedure for acceptance; and on the affect of accepting concurrent jurisdiction). According to Jack Wilson of the Attorney General's office: "the proposal, if accepted, would establish concurrent legislative jurisdiction as to both the State of South Carolina and the United States over the land areas described and would permit the application of both civil and criminal laws by either or both sovereigns. Matters respecting coordination and support, potential areas of conflict, and authorized procedures could be provided for or resolved in mutually executed Memorandums of Understanding as between the Federal, State or local governmental agencies concerned." Mr. Wilson has also indicated that the state or local entities will not be obligated or incur any greater liability than already exists where the state has sole jurisdiction.

After concurrent jurisdiction is established, the Navy will be able to initiate negotiation of Memorandums of Understanding (MOUs) with local authorities (see above). These MOUs will allow federal/local authorities to determine the scope of activity and proper procedure over these areas. These memorandums will largely formalize informal or *ad hoc* agreements that already exist between federal and local entities. Based on the example of prior agreements, this should establish greater cooperation and coordination (see Goose Creek below).

In the interest of determining local authorities' attitudes or concerns, local authorities whose jurisdictions are affected have been contacted. Each of those contacted have expressed a positive attitude toward the idea and anticipate no major changes in their relationship with the Navy. State concern regarding greater burdens to local law enforcement were noted to the local authorities, but that was not seen as a problem by local authorities. The 9th Circuit Solicitor's Office in Charleston (through Robert Bolchoz) and 14th Circuit Solicitor's Office for the Beaufort area (talked with Randolph Murdaugh) indicate that they see no problem and that it is a practical and good agreement to have in place.

Goose Creek is very positive after having had concurrent jurisdiction with the Navy at the Naval Weapons Station for the last 14 years.

Next step: Placement on the Board agenda for consideration and/or acceptance of concurrent jurisdiction by the SC Budget and Control Board (SC Code: 3-1-150).

Procedure: When an offer of relinquishment by federal authorities is made (as the Navy is doing), the "Budget and Control Board may, in its discretion, accept such relinquishment." Acceptance is made by sending notice of acceptance to the designated federal official. South Carolina gains jurisdiction upon sending the documents to the designated United States official. (SC Code: 3-1-150).

Areas covered: Naval Base Complex, Naval Hospital, Naval Station Annex, Chicora Tank Farm, and Cooper River Bridge Spoil Areas within Charleston, SC; and the Naval Hospital, Beaufort, South Carolina.

Attachments:

- Description of proposal from U.S. Navy (including background and procedural information).
- Executed document from the Assistant Secretary of the Navy reflecting the acceptance and relinquishment of legislative jurisdiction on behalf of the United States (I have the original).
- A copy of the Assistant Secretary of the Navy's delegation of authority from the Secretary of the Navy for jurisdiction matters.
- Proposed document of acceptance from the Navy to effect the acceptance of the relinquished jurisdiction on behalf of the state of South Carolina.

03349

Concurrent Legislative Jurisdiction
between
South Carolina and the United States

Part A

(Naval Base Complex, Naval Hospital, Naval Station Annex,
Chicora Tank Farm, and Cooper River Dredge Spoil Areas)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03350

BACKGROUND AND PROCEDURAL INFORMATION

The Naval Base Complex, Charleston, contains approximately 1,513.71 acres of high land. The Navy claims proprietary interest in 83.33 acres and exclusive jurisdiction over 168.78 acres, with the remainder of that property subject to concurrent federal/state jurisdiction. The Navy also claims exclusive jurisdiction over the Navy Hospital property (22.84 acres), and the Chicora Tank Farm (23.90 acres), but proprietary interest only in the Naval Station Annex (42.00 acres). Further, a dredge spoil area on the Cooper River totals 1,397 acres. Navy claims that 937 acres are subject to concurrent federal/state jurisdiction and 460 acres to proprietary interest only in the United States. These lands are shown and described more fully in the enclosures to the document titled "ACCEPTANCE AND RELINQUISHMENT OF LEGISLATIVE JURISDICTION". The patchwork of legislative jurisdiction which we believe currently exists over these properties, presents legal and security problems which can be eliminated by establishing and/or confirming concurrent jurisdiction over all. Moreover, because of the antiquity of some of the underlying transactions involving these properties, the differences between state and federal laws concerning the establishment and relinquishment of legislative jurisdiction, and the affirmative actions required by some statutes, enacted at differing times, the exact legislative jurisdiction actually applying to these properties is not absolutely clear in all cases. Establishment and/or confirmation of concurrent jurisdiction would further serve the purpose of legal predictability.

Sections 3-1-10 et seq. and 3-1-120 et seq. of the Code of Laws of South Carolina (1976), govern the relinquishment of legislative jurisdiction by the state to the United States, with respect to certain properties obtained by the United States, and the collateral legal effects associated with such relinquishment. Section 3-3-170 relates to the relinquishment of jurisdiction and the control of some of the actual properties involved here. Title 40, United States Code, Section 255, authorizes the Secretary of the Navy to accept legislative jurisdiction on behalf of the United States, and requires an affirmative acknowledgment of such acceptance. On the other hand, Title 10, United States Code, Section 2683, authorizes the Secretary to retrocede some or all jurisdiction over land he controls, and Section 3-1-150 of the Code of Laws of South Carolina (1976), governs the acceptance by the state of such relinquishment. Unanswered questions as to whether any of the aforecited laws were applicable, were completely and effectively applied, and what degree(s) of jurisdiction were thereby relinquished with respect to the instant properties justify the clarification of legislative jurisdiction over such properties.

To accomplish the proposed establishment and/or confirmation of legislative jurisdiction, we suggest that the state and the federal government treat the properties as though no transfer of

Enclosure (1)

03351

legislative jurisdiction has heretofore occurred. The state has already relinquished jurisdiction to the United States, pursuant to Section 3-1-10, 3-1-120, and 3-3-170, and any other applicable provisions of the Code of Laws of South Carolina (1976), over all the described properties, and the United States would therefore accept such jurisdiction pursuant to 40 United States Code, Section 255. It is clear, under South Carolina law, that such relinquishment and acceptance would create not less than concurrent jurisdiction in the United States. The United States would then, pursuant to 10 United States Code, Section 2683, retrocede to the state of South Carolina, and the state of South Carolina would accept, pursuant to Section 3-1-150 of the Code of Laws of South Carolina, such degree of jurisdiction as would be necessary to create the status of concurrent jurisdiction over all the properties.

The attachments to enclosure (2) consist of the legal descriptions of the properties involved, taken from the original legal descriptions of the parcels comprising the properties, as recorded in public records available in the Charleston area, and maps of the properties in question, taken from the descriptions in enclosure (2).

ACCEPTANCE AND RELINQUISHMENT OF LEGISLATIVE JURISDICTION

WHEREAS, the United States owns certain lands under the control of the Department of the Navy, within the State of South Carolina, which are variously subject to exclusive, concurrent, or proprietary jurisdiction; and

WHEREAS, the Department of the Navy, on behalf of the United States, and the State of South Carolina, have determined that it would be in the public interest to establish uniform concurrent jurisdiction over all these lands;

It is therefore agreed between the parties as follows:

In accordance with 40 U.S.C. Section 255, by my authority to accept legislative jurisdiction on behalf of the United States, and in accordance with Sections 3-1-10 et seq., 3-1-120 et seq., 3-3-170, and all other applicable sections of South Carolina Code, I hereby accept such jurisdiction as is granted by those statutes over the following lands located in Charleston, and Berkeley Counties, notwithstanding any prior acceptance of legislative jurisdiction, actual or attempted, total or partial, over such properties, which are more particularly described in Attachments A through E, and by this reference made a part of hereof:

1,513.71 acres, all of Naval Base Charleston, with the exception of certain submerged lands owned by the State of South Carolina, as identified more fully herein (Attachment A)

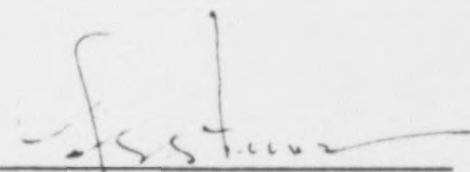
22.84 acres, all of Naval Hospital Charleston (Attachment B)

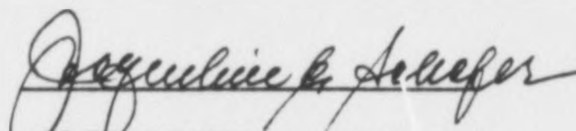
42.00 acres, all of Naval Station Annex (Attachment C)

23.90 acres, all of Chicora Tank Farm (Attachment D)

1,397.00 acres, all of dredge disposal area (Attachment E)

In accordance with 10 U.S.C. Section 2683, by my authority on behalf of the United States, I hereby retrocede and relinquish such measure of legislative jurisdiction as is necessary to establish concurrent legislative jurisdiction between the State of South Carolina, and the United States over all such properties herein previously described, notwithstanding any prior retrocession of legislative jurisdiction over such properties, actual or attempted, total or partial.


Attest
F. S. STERNS

 8 March 1991
Date
JACQUELINE E. SCHAFER
Assistant Secretary of the Navy
(Installations and Environment)

Enclosure (2)

03353

3 Aug 1989
241/WJH

CHARLESTON NAVAL BASE COMPLEX
JURISDICTION SUMMARY

<u>ACQUISITION DATE</u>	<u>ACREAGE</u>	<u>JURISDICTION</u>	
Naval Base Complex			
Aug 12, 1901	171.03	Concurrent	
Aug 12, 1901	258.11	Concurrent	
Aug 12, 1901	735.96	Concurrent	
Nov 20, 1902	96.50	Concurrent	
	<u>1261.60</u>		1261.60
Oct 11, 1909	28.90	Exclusive	
Mar 19, 1941	2.45	Exclusive	
Mar 31, 1941	2.45	Exclusive	
May 5, 1941	3.19	Exclusive	
Sep 15, 1941	44.90	Exclusive	
Mar 1, 1942	81.70	Exclusive	
Apr 2, 1942	4.44	Exclusive	
Sep 9, 1942	0.75	Exclusive	
	<u>168.78</u>		168.78
May 17, 1945	4.02	Proprietorial	
Apr 21, 1954	2.56	Proprietorial	
Aug 12, 1966	38.20	Proprietorial	
Jun 14, 1967	37.25	Proprietorial	
Nov 21, 1967	0.92	Proprietorial	
Aug 20, 1976	0.38	Proprietorial	
	<u>83.33</u>		83.33
			<u>1513.71</u> Acres

Spoil Area East Of The Cooper River

Mar 21, 1902	937.00	Concurrent
Jan 9, 1963	460.00	Proprietorial
	<u>1397.00</u>	

Naval Regional Medical Center

Sep 15, 1941	22.84	Exclusive
--------------	-------	-----------

Chicora Tank Farm

Dec 26, 1941	8.84	Exclusive
Oct 20, 1942	15.06	Exclusive
	<u>24.90</u>	

Naval Station Annex

Apr 2, 1954	42.00	Proprietorial
-------------	-------	---------------

EXHIBIT

NOV 10 1992 16

STATE BUDGET & CONTROL BOARD

Attachment A

03354

NAVAL BASE COMPLEX
1513.71 acres

All those tracts and/or parcels of land situated in the City of North Charleston, Charleston County, South Carolina, owned in fee simple by the United States of America, known as the Charleston Naval Base Complex and being bounded on the east by the waters of the Cooper River, on the south by the waters of Shipyard Creek, on the west by various owners, and on the north by lands of the Amerada Hess Corporation being more particularly described as follows:

BEGINNING at a point (granite monument) on the South side of Cosgrove Avenue; THENCE S 74° 30' 01" W, 900.00 feet to a point at the intersection of Cosgrove Avenue and St. Johns Avenue; THENCE, along the North side of St. Johns Avenue S 18° 28' 51" E, 1,728.51 feet to a point (granite monument); THENCE crossing St. Johns Avenue S 10° 46' 30" E, 764.47 feet to a point; THENCE, S 24° 26' 24" E, 150.00 feet to a point; THENCE, along the arc of curve to the left, having a chord bearing of S 62° 07' 40" E and a chord length of 666.76 feet, 669.70 feet to a point; THENCE, S 68° 28' 02" E, 630.70 feet to a point; THENCE, S 68° 26' 05" E, 247.69 feet to a point; THENCE, N 54° 24' 03" E, 321.00 feet to a point; THENCE, S 56° 35' 59" E, 449.50 feet to a point; THENCE, N 33° 40' 01" E, 605.38 feet to a point; THENCE S 37° 22' 50" E, 4,214.76 feet to a point; THENCE, S 36° 47' 54" E, 127.93 feet to a point; THENCE, along the arc of a curve to the left, having a chord bearing of S 52° 15' 30" E and a chord length of 413.67 feet, 418.73 feet to a point; THENCE, S 45° 51' 13" E, 42.10 feet to a point; THENCE, S 42° 27' 32" E, 104.30 feet to a point; THENCE, N 89° 03' 06" E, 935.36 feet to a point; THENCE, S 28° 00' 15" E, 1,736.37 feet to a point; THENCE, S 00° 01' 13" E, 293.09 feet to a point; THENCE, S 40° 51' 36" E, 428.62 feet to a point; THENCE, S 66° 14' 55" E, 922.65 feet to a point; THENCE, S 18° 24' 35" E, 267.46 feet to a point, in the bed of the Shipyard Creek; THENCE, along the bed of the Shipyard Creek the two following courses and distances: (1) S 35° 20' 59" E, 4,834.37 feet; (2) S 78° 04' 06" E, 1,550.70 feet to a point in the bed of the Cooper River; THENCE, along the approximate pierhead line of the Cooper River the following ten courses and distances: (1) N 52° 39' 42" E, 1,266.65 feet; (2) N 06° 02' 00" E, 3,728.07 feet; (3) N 27° 04' 13" W, 3,338.40 feet; (4) N 68° 50' 10" W, 5,100.37 feet; (5) N 53° 48' 57" W, 2,572.71 feet; (6) N 40° 33' 57" W, 1,801.62 feet; (7) N 29° 09' 47" W, 2,001.63 feet; (8) N 31° 52' 46" W, 149.99 feet; (9) N 16° 37' 41" W, 2,445.61 feet; (10) N 08° 23' 11" W, 1,051.49 feet; THENCE, N 86° 47' 28" W, 266.00 feet to a point on the West bank of the Cooper River; THENCE, N 86° 47' 28" W, 1,577.76 feet to a point; THENCE, S 01° 28' 33" E, 250.46 feet to a point; THENCE, S 06° 18' 28" W, 519.86 feet to a point; THENCE, S 15° 18' 53" W, 264.17 feet to a point; THENCE, S 01° 18' 59" E, 78.96 feet to a point; THENCE, S 89° 35' 50" W, 38.11 feet to a point; THENCE, S 06° 14' 25" W, 129.72 feet to a point; THENCE, along the arc of a curve left, having a chord bearing of S 04° 56' 53" E and a chord distance of 389.01 feet, 391.49 feet to a point; THENCE, S 16° 08' 10" E, 359.57 feet to a point; THENCE, S 35° 34' 38" W, 798.68 feet to a point; THENCE, S 17° 47' 21" E, 502.63 feet to a point; THENCE, S 30° 15' 00" W, 743.55 feet to the point and place of beginning.

NAVAL BASE COMPLEX 1 of 5

Attachment A

03355

LESS AND EXCEPTING from the above all of the submerged lands owned by the State of South Carolina located between all docks, piers, wharfs, and other structures bounded by the mean high water line and the pierhead line of the Cooper River; also the submerged lands located beneath Pier "M"; the last 163' (catwalk and mooring dolphin) of Pier "N"; Pier "Z"; Dredge Pier #375 and the Salt Water Pumphouse #417; and containing 1513.71 acres of lands, more or less, after said exemptions.

Title to the above described land was vested in the United States of America by the following.

1. Title to 171.03 acres of the above described land was conveyed to the United States of America by the City of Charleston, South Carolina by Deed dated August 12, 1901, and filed for record on August 14, 1901, in Deed Book X-23, Page 243 and a plat filed at the same time in Plat Book D, Page 183, Office of the Register of Mesne Conveyance, Count of Charleston, State of South Carolina. (Navy Tract I)

2. Title to 258.11 acres of the above described land was conveyed to the United States of American by Cecilia Lawton by Deed dated August 12, 1901, and filed for record on August 13, 1901 in Deed Book X-23, Page 234 and a plat filed at the same time in Plat Book D, Page 183, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract II)

3. Title to 760.00 acres of the above described land was conveyed to the United States of America by the City of Charleston, South Carolina by deed dated August 12, 1901 and filed for record on August 14, 1901, in Deed Book X-23, Page 247, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract III)

LESS AND EXCEPT 8.73 acres of land conveyed to the South Carolina State Ports Authority by the United States of America by Quitclaim Deed dated September 17, 1964, and filed for record on October 1, 1964, in Deed Book G-81, Page 233, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina.

LESS AND EXCEPT 1.20 acres of land conveyed to Etiwan Fertilizer Company by the United States of America by Quitclaim Deed dated September 28, 1964, and filed for record on September 30, 1964, in Deed Book G-81, Page 211, Office of the Register Mesne Conveyance, County of Charleston, State of South Carolina;

LESS AND EXCEPT 8.83 acres of land conveyed to Humble Oil & Refining Company by the United States of America by Quitclaim Deed dated September 29, 1964, and filed for record on October 3, 1964, in Deed Book G-81, Page 299, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina;

LESS AND EXCEPT 5.28 acres of land conveyed to F. S. Royster Guano Company by the United States of America by Quitclaim Deed dated September 29, 1964 and filed for record on October 9, 1964, in Deed Book G-81, Page 404, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina for a net total of 735.96 acres.

4. Title to 96.5 acres of the above described land was conveyed to the United States of America by the City of Charleston, South Carolina, by Deed dated November 20, 1902, and filed for record with plat attached on November 21, 1902, in Deed Book F-24, Page 30, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract V)

5. Title to 28.9 acres of the above described land was conveyed to the United States of America by the City of Charleston, South Carolina by Deed dated October 11, 1909 and filed for record with plat attached on October 12, 1909 in Deed Book U-24, Page 566, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract VI)

6. Title to 2.45 acres of the above described land was conveyed to the United States of America by the Seaboard Air Line Railway Company by Deed dated March 19, 1941, and filed for record on February 16, 1944, in Deed Book R-44, Page 216, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract VII)

7. Title to 2.45 acres of the above described land was conveyed to the United States of America by the City of Charleston, State of South Carolina by Deed dated March 31, 1941, and filed for record on February 16, 1944, in Deed Book R-44, Page 213 and being the same as conveyed to the United States of America by the Atlantic Coast Line Railroad Company by quitclaim Deed dated May 8, 1941, and filed for record on February 16, 1944, in Deed Book R-44, Page 217, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XV)

8. Title to 3.19 acres of the above described land was conveyed to the United States of America by the West Virginia Pulp and Paper Company by Deed dated May 5, 1941, and filed for record on July 11, 1941, in Deed Book X-38, Page 775 and a plat filed at the same time in Plat Book F, Page 88, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract IX)

9. Title to 44.90 acres of the above described land was conveyed to the United States of America by the City of Charleston, South Carolina, by Deed dated September 15, 1941, and filed for record on September 18, 1941, in Deed Book I-41, Page 711 and a plat filed at the same time in Plat Book F, Page 93, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract X)

NAVAL BASE COMPLEX 3 of 5

Attachment A

03357

10. Title to 81.7 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 81.7 acres of land, more or less, in Charleston County, South Carolina, West Virginia Pulp and Paper Company, et al. Civil Action No. 704", filed on March 1, 1942 [in the District Court of the United States for the Eastern District of South Carolina, Charleston Division] and by subsequent Judgment dated August 5, 1942 and filed for record on August 18, 1942, in Deed Book L-43, Page 287 and by subsequent Judgment dated August 10, 1942 and filed for record on August 18, 1942 in Deed Book L-43, Page 285, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XIV)

11. Title to 4.44 acres of the above described land was conveyed to the United States of America by the Sanitary and Drainage Commission for Charleston County, South Carolina by Deed dated April 2, 1942, and filed for record on February 16, 1944, in Deed Book R-44, Page 214 Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XVI)

12. Title to 0.75 acre of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 0.75 acre of land, more or less, in the County of Charleston, State of South Carolina, Southern Railway - Carolina Division, et al., Civil Action No. 864" filed on September 9, 1942, in the District Court of the United States for the Eastern District of South Carolina, Charleston Division and by subsequent Judgment filed on June 25, 1943, in Deed Book L-43, Page 707, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XVII)

13. Title to 4.02 acres of the above described land was conveyed to the United States of America by the State Highway Commission of South Carolina by Deed dated May 17, 1945, and filed for record with plat attached on June 9, 1945, in Deed Book U-45, Page 85, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XXI)

14. Title to 2.56 acres of the above described land was conveyed to the United States of America by Charleston County, South Carolina, by Deed dated April 21, 1964, and filed for record on November 16, 1964 in Deed Book U-81, Page 385, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XXXII)

15. Title to 38.20 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 38.208 acres of land, more or less, in the County of Charleston, South Carolina, Seaboard Air Line Railroad Company, et al., Civil Action No. 66-578", filed on August 12, 1966 in the District Court of the United States, District of South Carolina, Columbia, South Carolina and filed for record on January 12, 1967 in Deed Book B-87, Page 24, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XV)

16. Title to 37.25 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 37.25 acres of land, more or less, in the County of Charleston, State of South Carolina, et al., Civil Action No. 68-514", filed on June 14, 1967, in the District Court of the United States for the District of South Carolina, Charleston Division and by subsequent Judgment filed on June 22, 1989, in Deed Book J-185, Page 429, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tracts XVI and XXXIII)

17. Title to 0.92 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 5.12 acres of land, more or less, in the Counties of Berkeley and Charleston State of South Carolina, Civil Action No. 68-1018" filed on November 21, 1967 in the United States District Court, Eastern District of South Carolina, Charleston Division and by subsequent Judgment filed on June 22, 1989, in Deed Book J-185, Page 422, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina, (Note - The remaining 4.20 acres are located at the Naval Weapons Station in Berkeley County). (Navy Tracts XVII and XXXIV)

18. Title to 0.38 acre of the above described land was conveyed to the United States of America by the Seaboard Coast Line Railroad Company by deed dated August 20, 1976, and filed for record on October 1, 1976, in Deed Book N-110, Page 247, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XXXIX)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

NAVAL BASE COMPLEX 5 of 5

Attachment A

03359

NAVAL REGIONAL MEDICAL CENTER

22.84 Acres

All that tract and/or parcel of land situated in the City of North Charleston, Charleston County, South Carolina, and being bounded on the south by Rivers Avenue (100' R/W), and on the east by Cherokee Place Subdivision, and on the north by lands of the North Charleston Public Service District and Spruill Avenue (100' R/W), and on the west by McMillan Avenue (100' R/W), and being more particularly described as follows:

BEGINNING at the intersection of the north line of Rivers Avenue (U.S. Route 52) and the east line of McMillan Avenue;

THENCE S 57° 03' 30" E along said north line of Rivers Avenue for 1240.83 feet to the southwesterly corner of Cherokee Place Subdivision;

THENCE N 24° 57' 30" E along the west line of said Cherokee Place Subdivision for 1246.95 feet to a point on the south line of the North Charleston Public Service District property;

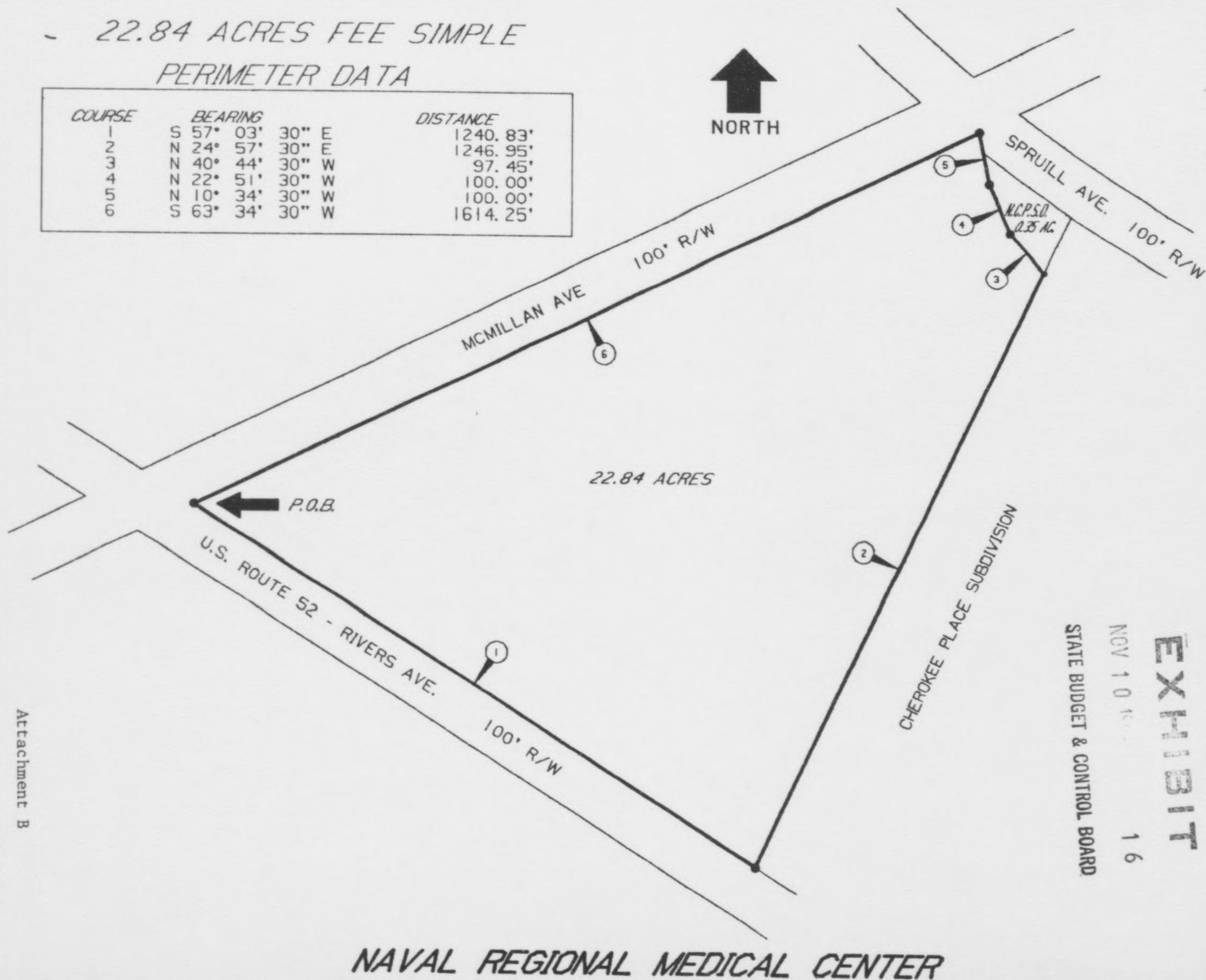
THENCE proceed along the south line of the North Charleston Public Service District property, the following three (3) courses and distances: (1) N 40° 44' 30" W for 97.45 feet; (2) N 22° 51' 30" E for 100 feet; (3) N 10° 34' 30" W for 100 feet to a point on the east line of McMillan Avenue;

THENCE S 63° 34' 30" W along the east line of McMillan Avenue for 1014.25 feet to THE POINT OF BEGINNING containing 22.84 acres, more or less.

Title to the above described land was conveyed to the United States of America by The City Council of Charleston, South Carolina and the Charleston County Tuberculosis Association by deed dated September 15, 1941 and filed for record on October 27, 1941 at 11:00 a.m., in Book I-41, Page 714 and a plat filed at the same time in Plat Book F, Page 99, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina.

22.84 ACRES FEE SIMPLE
PERIMETER DATA

COURSE	BEARING	DISTANCE
1	S 57° 03' 30" E	1240.83'
2	N 24° 57' 30" E	1246.95'
3	N 40° 44' 30" W	97.45'
4	N 22° 51' 30" W	100.00'
5	N 10° 34' 30" W	100.00'
6	S 63° 34' 30" W	1614.25'



EXHIBIT

NOV 10 1996

16

STATE BUDGET & CONTROL BOARD

NAVAL REGIONAL MEDICAL CENTER

Attachment B

03362

NAVAL STATION ANNEX

42.00 Acres

All that tract or parcel of land situate within the City of North Charleston, Charleston County, State of South Carolina, being bounded on the northeast by State Road 525 (Remount Road) and Interstate-26, on the southeast by Charleston Airport Industrial Park and the southwest by State Road S-10-1657 (Air Park Road), and on the northwest by other lands of the United States of America known as the Charleston Air Force Base North Charleston Housing Area, being a 42.00 acre portion of the 97.63 acres reacquired by the United States of America by Notice of Forfeiture dated April 2, 1954 and filed for record on April 19, 1954 in Book G-58, Page 316, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina, said 42.00 acres being more particularly described as follows:

COMMENCE at a concrete monument at the intersection of the southerly right-of-way line of State Road 525 (Remount Road) and the northeasterly right-of-way line of the Southern Railway Company; thence S36°50'48"E for 2,026.26 feet; S54°17'31"E for 2.58 feet; N53°02'43"E for 59.22 feet to a point on the northeasterly right-of-way line of State Road S-10-1657 (Air Park Road) which is the southeast corner of the USA property and the southwest corner of the Charleston Airport Industrial Park for the POINT OF BEGINNING;

THENCE, N36°50'48"W along the northeasterly right-of-way of Air Park Road for 1,048.61 feet to a point;

THENCE, along the USAF North Charleston Housing Area N53°02'43"E for 978.00 feet; N36°50'48"W for 141.00 feet; N12°04'E for 160.00 feet; and N26°30'E for 251.00 feet to a point within the right-of-way of South Carolina Highway 525 (Remount Road);

THENCE, along the property line and within the right-of-way of South Carolina Highway 525 (Remount Road) S63°46'56"E for 581.76 feet; S65°43'12"E for 75.49 feet; S74°20'19"E for 192.26 feet to a point within the right-of-way of Interstate-26;

THENCE, along the property line and within the right-of-way of Interstate-26 S24°38'41"E for 684.42 feet to a point;

THENCE, S53°02'43"W along the property line crossing Interstate-26 and along the northwesterly line of Charleston Airport Industrial Park for 1,596.12 feet to the POINT OF BEGINNING and containing 42.00 acres, more or less.



CHICORA TANK FARM
23.90 Acres

All that certain tract or parcel of land situate, lying and being in St. Philip's and St. Michael's Parish, in the City of North Charleston, in the County of Charleston, State of South Carolina, and more particularly described as follows:

BEGINNING at a concrete monument for the intersection of the easterly line of U.S. Route 52 (Carner Ave.) and the northerly line of Clements Ave.;
THENCE N 34° 46' 40" W along the easterly line of U.S. Route 52 (Carner Ave.) for 1138.40' to a concrete monument;
THENCE N 55° 13' 20" E for 414.38' to a concrete monument;
THENCE N 28° 00' 56" W for 871.20' to a concrete monument;
THENCE N 65° 22' 04" E for 340.59' to a concrete monument on the westerly line of Chicora Ave.;
THENCE S 28° 00' 56" E along the westerly line of Chicora Ave., for 1868.52' to a concrete monument at the intersection of the northerly line of Clements Ave.;

THENCE S 47° 17' 04" W along the northerly line of Clements Ave., for 636.92' to the POINT OF BEGINNING, containing 23.90 acres, more or less.

Title to 8.84 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. Certain Parcel of Land in the County of Charleston, State of South Carolina, and School District No. 4 of Charleston County, et al, Civil Action No. 663," containing 15.000 acres filed on December 26, 1941 in the United States District Court for the Eastern District of South Carolina at Charleston, South Carolina. (Navy Tract XX)

LESS AND EXCEPT

That 6.160 acres out of Civil Action No. 663 conveyed to the School District No. 4 of Charleston County and the State of South Carolina by the General Services Administration by Quitclaim Deed dated May 23, 1950 and filed for record on June 2, 1950 at 5:15 p.m. in Book W-46, Page 697, Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina.

ALSO

Title to the remaining 15.06 acres was vested in the United States of America by Declaration of Taking in suit styled "United States of America vs. 20.663 acres of land in Charleston County, South Carolina, Charleston County and School District No. 4, et al, Civil Action No. 900," filed on October 20, 1942 in the United States District Court for the Eastern District of South Carolina at Charleston, South Carolina, with 15.632 acres of this tract being filed for record on April 8, 1943 at 5:55 p.m., in Book L-43, Page 617, and the remaining 5.031 acres of this tract being filed for record on March 21, 1944 at 11:55 a.m., in Book R-44, Page 276 Office of the Register of Mesne Conveyance, County of Charleston, State of South Carolina. (Navy Tract XVII)

CHICORA TANK FARM 1 of 2

Attachment D

03365

LESS AND EXCEPT

That 5.604 acres out of Civil Action No. 900 conveyed to School District No. 4 of Charleston County and the State of South Carolina by the General Services Administration by Quitclaim Deed dated May 23, 1950 and filed for record on June 2, 1950 at 5:15 p.m. in Book W-46, Page 697, Office of the Register Mesne Conveyance, County of Charleston, State of Carolina.

EXHIBIT

NOV 10 1992

176

STATE BUDGET & CONTROL BOARD

CHICORA TANK FARM 2 of 2

Attachment D

03366



**CHICORA TANK FARM
23.90 ACRES**

Attachment D

03367

SPOIL AREA EAST OF THE COOPER RIVER

1,397 Acres

Being the southerly two thirds of a spoil island, containing 1,397 acres of filled land, submerged land, marsh land, and tide lands, lying and being in St. Thomas Parish, Berkeley County, South Carolina and being bounded on the west by the Cooper River, on the north by lands of the South Carolina State Ports Authority, and on the east by Clouter Creek, and being more particularly described as follows:

BEGINNING at a point on the southerly tip of said spoil island at the mouth of Clouter Creek; thence meandering westerly and northerly along the east bank of the Cooper River to a line common to the U.S. Navy Spoil Area and South Carolina State Ports Authority Spoil Area;

THENCE meandering southeasterly along said common line for 7635' more or less to a point on the west bank of Clouter Creek;

THENCE meandering southerly along the west bank of Clouter Creek to the POINT OF BEGINNING containing 1,397 acres, more or less.

Title to 937 acres of the above described land was conveyed to the United States of America by Maria D. Winthrop by Deed dated March 21, 1902 and filed for record on March 24, 1902 in Book A-17, Page 26 and a plat filed at the same time in Plat Book A, Page 58, Office of the Register of Mesne Conveyance, County of Berkeley, State of South Carolina. (Navy Tract IV)

ALSO

Title to the remaining 460 acres of the above described land was vested in the United States of America by Declaration of Taking in suit styled "United States of America v. 460.00 Acres of Land, more or less, in the County of Berkeley, State of South Carolina, and Heirs of Susan B. Hay, deceased, et. al., Civil No. 7952", filed on January 9, 1963 in the United States District Court For The Eastern District of South Carolina, Charleston Division and was filed for record on June 16, 1963 in File Book 6, Page 262, Office of the Clerk of Court, County of Berkeley, State of South Carolina, and the Final Judgment was filed for record on April 10, 1989 in Volume C-256, Page 25, Office of the Register of Mesne Conveyance, County of Berkeley, State of South Carolina. (Navy Tract XXX)

Attachment E

03368

EXHIBIT

NOV 10 1992

1/6

STATE BUDGET & CONTROL BOARD

OWNED BY STATE OF
SOUTH CAROLINA AND
USED BY CORPS OF
ENGINEERS AS A
SPOIL AREA



NORTH

EAST BANK OF
BROAD CREEK AS
OF NOV 30, 1961

NORTH BANK OF
CLOUTER CREEK AS
OF NOV 30, 1961

TRACT XXX
460 ACRES

TRACT IV
937 ACRES

COOPER RIVER

CHARLESTON
NAVAL BASE
COMPLEX

P.O.B.

SPOIL AREA EAST
OF THE COOPER RIVER

Attachment E

03369



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON D C 20350-1000

14 June 1990

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)

Subj: AUTHORITY TO ACCEPT AND TO RELINQUISH LEGISLATIVE
JURISDICTION ON BEHALF OF THE UNITED STATES

Under the authority of 10 U.S.C. § 5013, you are hereby assigned the power to accept legislative jurisdiction on behalf of the United States under 40 U.S.C. § 255 and to relinquish such jurisdiction under 10 U.S.C. § 2683. This power may be delegated.

H. Lawrence Garrett, III
Secretary of the Navy

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

REPRODUCED AT GOVERNMENT EXPENSE

03370

Enclosure (3)

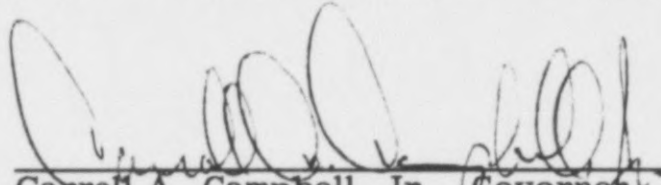
ACCEPTANCE OF LEGISLATIVE JURISDICTION RELINQUISHED
BY THE UNITED STATES

WHEREAS it is in the best interests of the Governments of the State of South Carolina and the United States of America to establish concurrent jurisdiction over the properties which are listed in the attachment to the document entitled "Acceptance and Relinquishment of Legislative Jurisdiction" (which is appended as Appendix I) for purposes of more efficient and effective law enforcement; and

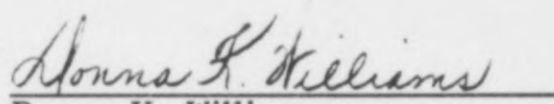
WHEREAS the establishment of concurrent jurisdiction over these properties would, therefore, inure to the public interest; and

WHEREAS the State of South Carolina, by virtue of such Acts of the General Assembly as are now codified at Sections 3-1-10 et seq., 3-1-120 et seq., 3-3-170, and all other sections of the South Carolina Code being applicable thereto, has previously ceded to the United States such legislative jurisdiction as is granted by those statutes over all properties described in the "Acceptance and Relinquishment of Legislative Jurisdiction," and the United States, by that document, has accepted the tendered jurisdiction and has, in turn, relinquished a portion of the accepted jurisdiction:

IT IS THEREFORE RESOLVED that the State Budget and Control Board accepts such retrocession of legislative jurisdiction as is tendered by the United States of America, in the "Acceptance and Relinquishment of Legislative Jurisdiction" so as to cause all lands delineated therein or in attachments thereto to be brought under the concurrent legislative jurisdiction of the United States of America and the State of South Carolina and authorizes and directs Carroll A. Campbell, Junior, Governor of the State of South Carolina and Chairman of the State Budget and Control Board, to signify such acceptance by executing this document.


Carroll A. Campbell, Jr., Governor
Chairman, Budget and Control Board

Attest:


Donna K. Williams
Secretary to the Board

November 10, 1992

Enclosure (4)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03371

Concurrent Legislative Jurisdiction
between
South Carolina and the United States

Part B

(The Naval Hospital, Beaufort)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03372

BACKGROUND AND PROCEDURAL INFORMATION

The Naval Hospital comprises 121.89 acres and is located in an unincorporated portion of Beaufort County, South Carolina. Maintenance, administrative, bachelor housing, family housing, and community facilities are also located on the property. The Navy claims proprietary jurisdiction over the entire 121.89 acres. These lands are shown and described more fully in the enclosure to the document titled "ACCEPTANCE AND RELINQUISHMENT OF LEGISLATIVE JURISDICTION". Concurrent jurisdiction is proposed for the following reasons: to augment services provided by the local law enforcement officials (i.e. security, safety); to strengthen the Commanding Officer's authority for disciplining offenders; and to have access to the Federal Magistrates Program currently in operation at the Marine Corps Recruit Depot, Parris Island. The United States Attorney for the District of South Carolina, the Town of Port Royal, and the Beaufort County Sheriff support the adjustment to concurrent jurisdiction.

Sections 3-1-10 et seq. and 3-1-120 et seq. of the Code of Laws of South Carolina (1976), govern the relinquishment of legislative jurisdiction by the state to the United States, with respect to certain properties obtained by the United States, and the collateral legal effects associated with such relinquishment. Title 40, United States Code (U.S.C.), Section 255, authorizes the Secretary of the Navy to accept legislative jurisdiction on behalf of the United States, and requires an affirmative acknowledgement of such acceptance. On the other hand, Title 10, U.S.C. Section 2683, authorizes the Secretary to retrocede some or all jurisdiction over land he controls, and Section 3-1-150 of the Code of Laws of South Carolina (1976), governs the acceptance by the state of such relinquishment. There are unanswered questions as to which of the aforesaid laws are applicable, whether they were completely and effectively applied, and what degree(s) of jurisdiction were thereby relinquished with respect to the instant property. All of these issues necessitate the clarification of legislative jurisdiction over such property.

To accomplish the proposed establishment and confirmation of legislative jurisdiction, we suggest that the state and the federal government treat the property as though no transfer of legislative jurisdiction has heretofore occurred as recommended by the state Attorney General's Office. The state has already relinquished jurisdiction to the United States, pursuant to Sections 3-1-10, and 3-1-120, and any other applicable provisions of the Code of Laws of South Carolina (1976), over all the described property. The United States would, therefore, accept all jurisdiction ceded by the state of South Carolina pursuant to 40 U.S.C. Section 255. It is clear, under South Carolina law, that such relinquishment and acceptance would create not less than concurrent jurisdiction in the United States. The United States would then, pursuant to 10 U.S.C. Section 2683, retrocede to the state of South Carolina, and the state of South Carolina would accept, pursuant to Section 3-1-150 of the Code of Laws of South Carolina, such degree of jurisdiction as would be necessary to create the status of concurrent jurisdiction over all the property.

The attachments to enclosure (2) consist of the legal description of the property involved, taken from the original legal description as recorded in public records available in the Beaufort area, and a map of the property in question, taken from the description in enclosure (2).

Enclosure (1)

03373

ACCEPTANCE AND RELINQUISHMENT OF LEGISLATIVE JURISDICTION

WHEREAS, the United States owns certain lands under the control of the Department of the Navy, within the State of South Carolina, which are subject to proprietary jurisdiction; and

WHEREAS, the Department of the Navy, on behalf of the United States, and the State of South Carolina, have determined that it would be in the public interest to establish concurrent jurisdiction over all these lands;

It is therefore agreed between the parties as follows:

In accordance with 40 United States Code (U.S.C.) Section 255, by my authority to accept legislative jurisdiction on behalf of the United States, and in accordance with Sections 3-1-10 et seq., 3-1-120, and all other applicable sections of South Carolina Code, I hereby accept such jurisdiction as is granted by those statutes over the following lands located in Beaufort County, notwithstanding any prior acceptance of legislative jurisdiction, actual or attempted, total or partial, over such properties, which are more particularly described in Attachment A, and by this reference made a part hereof:

121.89 acres, all of Naval Hospital Beaufort (Attachment A)

In accordance with 10 U.S.C. Section 2683, by my authority on behalf of the United States, I hereby retrocede and relinquish such measure of legislative jurisdiction as is necessary to establish concurrent legislative jurisdiction between the State of South Carolina, and the United States over all such properties herein previously described, notwithstanding any prior retrocession of legislative jurisdiction over such properties, actual or attempted, total or partial.

Josephine G. Schaefer 24 June 1991
Date

Frederic C. Carey
Attest

Enclosure (2)

03374

LEGAL DESCRIPTION

NAVAL HOSPITAL, BEAUFORT, SOUTH CAROLINA

All that land lying and being situate on Port Royal Island in Beaufort County, South Carolina, being more particularly described as follows:

COMMENCE at a concrete monument at the intersection of the prolongation of the southerly line of Waddell Road and the easterly line of Ribaut Road, SC Hwy. No. 281, for the northwest corner of the property herein described, being the POINT OF BEGINNING:

THENCE N 69° 14' 30" E for 499.21' to a concrete monument;
THENCE S 00° 22' 30" W for 329.62' to a concrete monument;
THENCE N 89° 54' 30" E for 200.00' to a concrete monument;
THENCE S 00° 05' 30" E for 177.08' to a concrete monument;
THENCE S 89° 47' 00" E for 1113.24' to a concrete monument;
THENCE S 08° 16' 00" E for 2003.24' to a concrete monument;
THENCE S 26° 04' 30" E for 480.03' to a concrete monument;
THENCE S 09° 08' 20" E for 302.31' to a concrete monument;
THENCE S 01° 05' 10" W for 418.69' to a concrete monument;
THENCE N 89° 45' 50" W for 853.65' to a concrete monument;
THENCE N 89° 53' 20" W for 152.70' to a concrete monument;
THENCE N 41° 59' 10" W for 1073.67' to a concrete monument;
THENCE N 41° 59' 10" W for 134.17' to a point within the easterly R/W of Old Shell Rd;
THENCE N 05° 53' 40" W for 75.34' to a point within the easterly R/W of Old Shell Rd;
THENCE N 17° 46' 40" W for 1068.87' to a point within the easterly R/W of Old Shell Rd;
THENCE N 16° 24' 30" W for 83.80' to a point within the easterly R/W of Old Shell Rd;
THENCE N 13° 44' 30" W for 430.39' to the intersection of the easterly line of State Hwy. No. 281, Ribaut Road;
THENCE N 02° 30' 30" W for 973.28' along the easterly line of Ribaut Road to the POINT OF BEGINNING containing 121.89 acres, more or less.

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03375



ATTACHMENT (A)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD



03376

ALL PROPERTY LOCATED IN THE TOWN OF PORT ROYAL, BEAUFORT COUNTY, SOUTH CAROLINA

ATTACHMENT (A)



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON D.C. 20350-1000

14 June 1990

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)

Subj: AUTHORITY TO ACCEPT AND TO RELINQUISH LEGISLATIVE
JURISDICTION ON BEHALF OF THE UNITED STATES

Under the authority of 10 U.S.C. § 5013, you are hereby assigned the power to accept legislative jurisdiction on behalf of the United States under 40 U.S.C. § 255 and to relinquish such jurisdiction under 10 U.S.C. § 2683. This power may be delegated.

H. Lawrence Garrett, III
Secretary of the Navy

REPRODUCED AT GOVERNMENT EXPENSE

Enclosure (3)

03377


ACCEPTANCE OF LEGISLATIVE JURISDICTION RELINQUISHED
BY THE UNITED STATES

WHEREAS it is in the best interests of the Governments of the State of South Carolina and the United States of America to establish concurrent jurisdiction over the properties which are listed in the attachment to the document entitled "Acceptance and Relinquishment of Legislative Jurisdiction" for purposes of more efficient and effective law enforcement; and

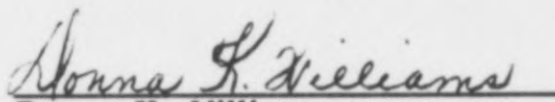
WHEREAS the establishment of concurrent jurisdiction over these properties would, therefore, inure to the public interest; and

WHEREAS the State of South Carolina, by virtue of such Acts of the General Assembly as are now codified at Sections 3-1-10 et seq., 3-1-120, and all other sections of the South Carolina Code being applicable thereto, has previously ceded to the United States such legislative jurisdiction as is granted by those statutes over all properties described in the "Acceptance and Relinquishment of Legislative Jurisdiction," and the United States, by that document, has accepted the tendered jurisdiction and has, in turn, relinquished a portion of the accepted jurisdiction:

IT IS THEREFORE RESOLVED that the State Budget and Control Board accepts such retrocession of legislative jurisdiction as is tendered by the United States of America, in the "Acceptance and Relinquishment of Legislative Jurisdiction" so as to cause all lands delineated therein or in attachments thereto to be brought under the concurrent legislative jurisdiction of the United States of America and the State of South Carolina and authorizes and directs Carroll A. Campbell, Junior, Governor of the State of South Carolina and Chairman of the State Budget and Control Board, to signify such acceptance by executing this document.


Carroll A. Campbell, Jr., Governor
Chairman, Budget and Control Board

Attest:


Donna K. Williams
Secretary to the Board

November 10, 1992

Enclosure (4)

EXHIBIT

NOV 10 1992

16

STATE BUDGET & CONTROL BOARD

03378

EXHIBIT

NOV 10 1992

17

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 2

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection

Board approval of the following bond counsel is requested:

Jobs-Economic Development Authority:
\$4,950,000 Stand Alone Issue, Crown Contract Services, Inc.
(Columbia, SC)

- (1) Sinkler & Boyd; and
- (2) Haynsworth, Marion, McKay & Guerard

BOARD ACTION REQUESTED:

Approve the selection of the Sinkler & Boyd firm to provide bond counsel services for the Jobs-Economic Development Authority for the \$4,950,000 stand alone issue (Crown Contract Services, Inc., project, Columbia, SC).

ATTACHMENTS:

Huey November 4 letter; attachments

03379

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
STATE TREASURER



P. O. DRAWER 11778

COLUMBIA
29211

November 4, 1992

EXHIBIT

NOV 10 1992

17

STATE BUDGET & CONTROL BOARD

Ms. Donna K. Williams
Assistant Executive Director
Office of Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Donna:

The attached request for approval of bond counsel for The South Carolina Jobs-Economic Development Authority has been received by the State Treasurer's Office and needs to be placed on the Agenda for consideration by the Budget and Control Board at its next meeting.

Once a determination has been made by the Board, we will notify the requesting agency of the Board's decision.

If you need any further information, please feel free to call me.

Very truly yours,

Sandy
Sandy Agee Huey
Deputy State Treasurer

SAH: rhr

Enclosures

03380

Attachment - 11/04/92

The following request for assignment of bond counsel on a proposed revenue issue has been received by the State Treasurer's Office and is in a position to be considered by the Budget and Control Board.

Agency	Approximate Size of Proposed Issue	Attorney Recommendation by Order of Preference
South Carolina Jobs-Economic Development Authority	\$4,950,000 Stand Alone Issue - Crown Contract Services, Inc., Columbia, SC	Sinkler & Boyd Haynsworth, Marion, McKay & Guerard

EXHIBIT
NOV 10 1992 17
STATE BUDGET & CONTROL BOARD

03381

REQUEST FOR ASSIGNMENT OF BOND COUNSEL

FROM: The South Carolina Jobs-Economic Development Authority

TO: Grady L. Patterson, Jr., State Treasurer

DATE: October 12, 1992

SUBJECT: REQUEST FOR ASSIGNMENT OF BOND COUNSEL

EXHIBIT

NOV 10 1992

17

STATE BUDGET & CONTROL BOARD

Any agency, department or institution contemplating a debt issue must immediately contact the State Treasurer's Office who will work with them in obtaining assignment of bond counsel pursuant to State Budget and Control Board directives.

DESCRIPTION OF DEBT ISSUE: Stand Alone Issue - Crown Contract Services, Inc. - Columbia, South Carolina - \$4,950,000

The recommendation of bond counsel proposed by order of preference is as follows:

1. Sinkler & Boyd, P.A.

NAME OF FIRM

2. Haynsworth, Marion, McKay & Guerard

NAME OF FIRM

SUBMITTED BY:

W. L. & D. H. W. - CEO
SIGNATURE/TITLE

ON 10/12/92
DATE

FOR STATE BUDGET AND CONTROL BOARD USE ONLY:

BOND COUNSEL APPROVED: Sinkler & Boyd, P.A. ON 11/10/92
FIRM DATE

CERTIFIED BY: Monna K. Williams ON 11/10/92
FOR STATE BUDGET AND CONTROL BOARD DATE

FOR STATE TREASURER'S OFFICE USE ONLY:

Notification given to agency/institution by the State Treasurer's

Office on _____ by _____
DATE (NAME/TITLE)

STO/BC-2

63382

EXHIBIT

NOV 10 1992

18

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD

MEETING OF November 10, 1992

REGULAR SESSION
ITEM NUMBER

3

AGENCY: General Services

SUBJECT: CIB Funds for USC Music Building Project in Group 22

On October 7, the Joint Bond Review Committee favorably reviewed the release of the initial draw of \$350,000 in priority group 22 (January-June 1993) for the USC Music Building project on the Columbia campus. The 1991 Bond Act authorization for the Music Building is \$17,525,830.

BOARD ACTION REQUESTED:

Approve the release of \$350,000 in priority group 22 (January-June 1993) for the USC Music Building project.

ATTACHMENTS:

Agenda item worksheet; Carnell October 13 letter

03383

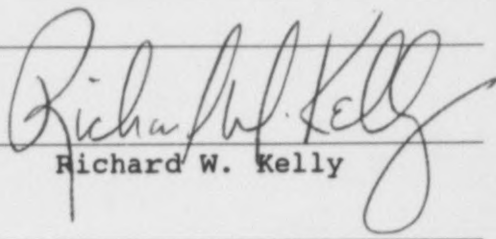
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: November 10, 1992

Regular Agenda

1. **Submitted by:**

- (a) Agency: Division of General Services
(b) Authorized Official Signature


Richard W. Kelly

2. **Subject:**

Release of Capital Improvement Bond Funds for the University of South Carolina's Music Building Project in Priority Group 22

3. **Summary Background Information**

The Joint Bond Review Committee at its October 7, 1992 meeting favorably reviewed the release of the initial draw of \$350,000 in Priority Group 22 (January-June, 1993) for the University of South Carolina's Music Building project on the Columbia Campus. The total authorization for the Music Building is \$17,525,830 in the 1991 Bond Act. At present, the only other commitment of Act 522 of 1992 bond funds for Group 22 are for the Folly Beach Restoration project for Coastal Council in the amount of \$1,009,000 which was approved by the Budget and Control Board on September 15, 1992.

4. **What is Board asked to do?**

Approve the release of \$350,000 to USC for the Music Building project in Priority Group 22, due for release in January 1993.

5. **What is the recommendation of Board Division involved?**

Recommend approval of the release of \$350,000 to USC for the Music Building project in Priority Group 22.

6. **Recommendation of other Division/agency (as required)?**

- (a) Authorized Signature:
(b) Division/Agency Name:

7. **List of Supporting Documents:**

- (a) Attached:
1. JBRC Letter

03384

Capital Improvements
Joint Bond Review Committee

MARION P. CARNELL
HOUSE OF REPRESENTATIVES
CHAIRMAN

SENATE MEMBERS

HUGH K. LEATHERMAN
THOMAS L. MOORE
J. VERNE SMITH
PHIL P. LEVENTIS
JOHN DRUMMOND

HOUSE MEMBERS

MARION P. CARNELL
JENNINGS G. McABEE
WILLIAM D. BOAN
HENRY E. BROWN, JR.
JEAN L. HARRIS



HUGH K. LEATHERMAN
SENATE
VICE CHAIRMAN

SUE HOOKS
DIRECTOR OF RESEARCH
BUDGET AND CONTROL BOARD LIAISON
803-734-2760

LIB CROFT
ADMINISTRATIVE ASSISTANT
803-734-3098

October 13, 1992

Mrs. Aline A. Ferguson
Assistant Director
Div. of Gen. Services-Permanent Improvements
1201 Main St. - #830
Columbia, South Carolina 29201

In Re: Priority Group #22 Schedule - USC-Columbia-Music Bldg.

Dear Mrs. Ferguson:

The Joint Bond Review Committee, at its meeting of 10/7/92, agreed to schedule the USC-Columbia School of Music Building in Priority Group #22 (Jan-June '93) with an initial draw of \$350,000.00.

This action is transmitted for the Budget and Control Board's review and approval of the commitment to schedule this project for release in Priority Group #22.

With kind regards, I am

Sincerely,

Marion P. Carnell
Rep. Marion P. Carnell, Chairman
Joint Bond Review Committee

MPC/lc

EXHIBIT

NOV 10 1992

18

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 10 1992

19

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER 4

AGENCY: Human Resource Management

SUBJECT: Amended Regulations, State Grievance Process

Section 8-11-230 of the S. C. Code of Laws and Sub-regulation 19-775.34 of the S. C. Code of Regulations provide that the Budget and Control Board develop and promulgate rules and regulations concerning the State grievance process.

The attached revisions to existing rules and regulations update provisions and improve administration of the process. The proposed revisions will be published in the November State Register.

Final revisions will be submitted for Budget and Control Board approval prior to submission to the General Assembly.

BOARD ACTION REQUESTED:

Approve amended regulations relating to the State grievance procedure for publication in the November State Register.

ATTACHMENTS:

Agenda item worksheet; Facts Sheet; Section 8-11-230, S. C. Code of Laws; Sub-regulation 19-775.34, S. C. Code of Regulations; Revised Grievance Committee Rules and Regulations; Revised State Personnel Regulations

03386

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

November 10, 1992

☐ Blue Agenda
☒ Regular Session
☐ Executive Session

1. Submitted by: (a) Agency: Division of Human Resource Management

(b) Authorized Official Signature Phyllis M. Mayes

2. Subject: Rules and Regulations Revisions

3. Summary Background Information:

Section 8-11-230 of the S.C. Code of Laws and Sub-regulation 19-775.34 of the S.C. Code of Regulations provide that the Budget and Control Board develop and promulgate rules and regulations concerning the State grievance process. The attached revisions to existing rules and regulations update provisions and improve administration of the process.

4. What is Board asked to do?

To approve the proposed revisions to be published in the State Register for comments. Final revisions will be submitted for Budget and Control Board approval prior to submission to the General Assembly.

5. What is recommendation of the Board division involved?

To approve the proposed revisions.

6. Recommendation of other office (as required)?

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

Facts Sheet
Section 8-11-230, S.C. Code of Laws
Sub-regulation 19-775.34, S.C. Code of Regulations
Revised Grievance Committee Rules and Regulations
Revised State Personnel Regulations

List those not attached
but available:

03387

EXHIBIT

NOV 10 1992

19

FACTS SHEET

STATE BUDGET & CONTROL BOARD

The following are proposed changes to the State Employee Grievance Committee Rules and Regulations (S. C. Code of Regulations 19-775) and State Personnel Regulation 19-706 (Grievances and Appeals). Lesser revisions such as title changes of the State Personnel Director to the Director of the Division of Human Resource Management and the State Personnel Division to the Division of Human Resource Management are revised but not included below.

STATE EMPLOYEE GRIEVANCE COMMITTEE RULES AND REGULATION CHANGES (Regulation 19-775 of the S.C. Code of Regulation)

- Changes the method of notifying witnesses of a hearing.
- Establishes regulations related to representatives in a hearing in one location.
- Revises regulations related to witnesses in a hearing.
- Provides that the records submitted to the Division will become the Committee's exhibit I at the hearing.
- Changes the requirement that subpoenaed documents must be exchanged at least five (5) days before the hearing to provide for more expeditious hearings.
- Revises hearing procedure to comply with the Freedom of Information Act.
- Changes the time period for the preservation of tapes to comply with the retention schedule of the Division and requires the requesting party to pay for the costs of a transcript of a hearing.
- Changes the order of presentation at the hearing, defining that the employee has the burden of proof.
- Provides for the sequestering of witnesses which was not required prior to the implementation of the Freedom of Information Act when all hearings were held in executive session.
- Changes the election of the Committee Chairman and the Secretary from July 1 to after approval of the Budget and Control Board to accommodate the scheduling of the Board item.

STATE PERSONNEL REGULATION CHANGES (State Personnel Regulation 19-706)

- Revises the State Personnel Regulations to comply with the above proposed changes.

Prepared by the Division of Human Resource Management November 2, 1992

03388

Control Board, the State Personnel Division (hereinafter referred to as the Division), which shall be responsive to agency needs for all personnel functions and which shall implement the provisions of this article subject to the policies and direction of the Board.

The administrative head of the Division shall be the State Personnel Director who shall be appointed by the Board. The State Personnel Director may employ such staff as deemed necessary to efficiently carry out the provisions of this article within authorized funding.

The Budget and Control Board is authorized and directed to:

1. Establish procedures for the regulation of compensation of all State employees where not otherwise regulated directly by the General Assembly. Such procedures and regulations shall distinguish between two categories of positions, classified and unclassified. A uniform Classification and Compensation Plan shall be provided for such regulation of all positions in the classified service. Such additional procedures shall be provided as in its judgment adequately and equitably regulate unclassified positions.
2. Develop and revise as necessary in coordination with agencies served specifications for each position in the classified service concerning the minimum educational training, experience and other qualifications considered necessary to assure adequate performance of the duties and responsibilities. The Board and agency heads will require adherence to these specifications. The Board may waive training and experience requirements where circumstances warrant upon request and adequate justification by the agency head.
3. After coordinating with agencies served, develop fair employment policies to assure that appointments to position in the State classified service are made on the basis of merit and fitness without regard to race, sex, age, religion, political affiliation or national origin.
4. Operate a recruitment and applicant referral program as an optional service available to all agencies.
5. Validate selection procedures for the classified service in accordance with sound personnel practices and the requirements of federal law or regulation.
6. After coordination with agencies served, develop policies and programs concerning leave with or without pay, hours of work, fringe benefits (except State retirement





benefits), employee/management relations, performance appraisals, grievance procedures, employee awards, dual employment, disciplinary action, separations, reductions in force, and other conditions of employment as may be needed.

7. Provide assistance and coordinate with the agencies served training and career development programs for State employees.
8. Enter into agreement with any political subdivision of the State to furnish services and facilities in the administration of its personnel program. Any such agreement shall provide for the reimbursement to the State of the reasonable cost of the services and facilities furnished. All political subdivisions of the State are hereby authorized to enter into such agreements.
9. Establish and maintain a central personnel data system on all State employees covered by this article, both classified and unclassified, and in coordination with agencies served, determine that data to be recorded on employees and positions and the procedures and forms to be used by all agencies in reporting data.
10. Develop a position management data system to assure conformity with Board policies and State law.
11. Delegate to the heads of the State agencies served such of the above responsibilities as may be appropriate in such form as the Board may determine.

HISTORY: 1975 (59) 212.

Cross references—

As to duties of state personnel director and State Budget and Control Board with respect to state employee grievance procedure, see §§ 8-17-310 et seq.

ALR and L Ed Annotations—

Application of state law to sex discrimination in employment. 87 ALR3d 93.

Punitive damages in actions for violations of Title VII of Civil Rights Act of 1964 (42 USCS §§ 2000e et seq.). 43 ALR Fed 208.

Sexual advances by employee's superior as sex discrimination within Title VII of Civil Rights Act of 1964, as amended (42 USCS §§ 2000e et seq.). 46 ALR Fed 224.

Sex discrimination in law enforcement and corrections employment. 53 ALR Fed 31.

ATTORNEY GENERAL'S OPINIONS

Absent individual agency restrictions, same time be employed by a county.
an individual may be employed as a 1974-1975 Op Atty Gen, No 4109, p
permanent state employee and at the 185.

19-775.30. Disqualification of Committee Members.

Whenever a grievance before the Committee is initiated by or involves an employee of an agency of which a Committee member also is an employee, such member shall be disqualified from participating in the hearing.

19-775.31. Election of Chairman and Secretary of Committee.

A chairman and a secretary shall be elected from the membership of the Committee each year for a term beginning July 1. A meeting for election of officers shall be held as soon as practicable after appointments are made.

19-775.32. Presiding Officer.

The Chairman may designate some other member of the Committee to serve as the presiding officer at a particular hearing in his absence.

19-775.33. Date and Time of Hearing; Postponement.

Grievance hearings will be conducted on the date and at the time scheduled unless the Committee, acting collectively or through its Chairman or designee, grants a postponement based upon extenuating circumstances such as illness or death. If neither party has requested a postponement or a requested postponement has been denied and either party fails to appear, the hearing will be held as scheduled. In such cases, the Committee will base its decision on a review of the record and a presentation of the case by the party present.

Effect of amendment—

The 1987 amendment, effective May 22, 1987, added the words "or designee" after the word "Chairman" in the first sentence.

19-775.34. Promulgation of Regulations.

The Committee and the State Personnel Director may recommend to the Budget and Control Board that it promulgate these and other regulations as may be necessary to carry out the provisions of the State Employee Grievance Procedure Act of 1982.

ARTICLE 8 [NEW]**DATA REPORTING REQUIREMENTS PERTAINING TO SOUTH CAROLINA GENERAL HOSPITALS**

(Statutory Authority: 1976 Code §§ 44-6-170 and 44-6-200, as amended)

REG.

- 19-801. Financial and Utilization Data (Annual).
- 19-810. Medical Record Extract Information.
- 19-820. Penalties for Failure to Meet Requirements.

Editor's Note—

The following regulations became effective June 22, 1990, unless otherwise noted.

19-801. Financial and Utilization Data (Annual).

A. All required items shall be reported to the Division of Research and Statistical Services (DRSS), South Carolina Budget and Control Board, for the period October first through September thirtieth by February first of the following year.

B. The formats for submission of required items are:

- (1) "Annual Hospital Financial Data Report" or other format as specified by the Division of Research and Statistical Services for financial items;
- (2) "Joint Annual Report of Hospitals" or other format as specified by the Division of Research and Statistical Services for utilization items.

PROPOSED REGULATION

BUDGET AND CONTROL BOARD

Division of Human Resource Management

CHAPTER 19

Statutory Authority: 1976 Code Sections 8-11-230

19-775. State Employee Grievance Committee Rules and 19-706.
State Personnel Regulations.

Synopsis:

The proposed amendments will change the title of the State Personnel Director to the correct current title, the Director of the Division of Human Resource Management; revise the procedures and time elements regarding witnesses and representatives; revise the procedure for the submission of files, records and papers; change the time for the submission of subpoenaed documents; provide that employees may request public hearings in accordance with the Freedom of Information Act; revise the procedures for preserving records and requesting transcripts of Grievance Committee hearings; change the order of presentation at the hearings; and amend the time for the election of a committee chairman and a secretary.

Notice of Public Hearing:

Should a hearing be requested pursuant to Section 1-23-110(b) of the 1976 Code, as amended, such a hearing will be conducted at 1201 Main Street (AT&T Building) on January 4, 1993, at 10:30 a.m. in Room 932. Written comments may be directed to Ms. Donna Traywick, Manager, Employee-Employer Relations Section, Division of Human Resource Management, 1201 Main Street, Suite 1000, Columbia, S.C. 29201 no later than January 4, 1993.

Preliminary Fiscal Impact Statement:

The Division of Human Resource Management estimates that there will be no additional costs incurred by the State and its political subdivisions in complying with the proposed amendments to Regulation 19-775. and State Personnel Regulation 19-706.

EXHIBIT

NOV 10 1992

19

STATE BUDGET & CONTROL BOARD

03392

State Employee Grievance Committee
Rules and Regulations

EXHIBIT

NOV 10 1992

19

STATE BUDGET & CONTROL BOARD

19-775.02 Currently reads:

Based on Section 8-17-20, 1976 Code of Laws of South Carolina, as amended, grievances shall include dismissals, suspensions, involuntary reassignments, and demotions. Promotions shall not be deemed grievances. However, where an allegation is made that the grievant was excluded from consideration for promotion to a position for which he was qualified when the promotional opportunity occurred, and the grievant applied or would have applied if he had known of the promotion opportunity, and the State Personnel Director determines that there is any material issue of fact or conclusion to be drawn from the facts of the allegation, then the promotion shall be deemed grievable. Compensation shall not be deemed a proper subject for consideration except as it applies to alleged inequities within a particular agency. A reduction in force shall be appealable by an affected employee only if based on inconsistent or improper application of a reduction in force policy, procedure or plan. Reclassification shall not ordinarily be deemed grievable as a demotion. However, if an allegation is made that a reclassification is punitive and the State Personnel Director determines there is any material issue of fact or conclusion to be drawn from the facts of the allegation, then the reclassification shall be deemed grievable.

Proposed to read:

Based on Section 8-17-20, 1976 Code of Laws of South Carolina, as amended, grievances shall include dismissals, suspensions, involuntary reassignments, and demotions. Promotions shall not be deemed grievances. However, where an allegation is made that the grievant was excluded from consideration for promotion to a position for which he was qualified when the promotional opportunity occurred, and the grievant applied or would have applied if he had known of the promotion opportunity, and the Director of Human Resource Management determines that there is any material issue of fact or conclusion to be drawn from the facts of the allegation, then the promotion shall be deemed grievable. Compensation shall not be deemed a proper subject for consideration except as it applies to alleged inequities within a particular agency. A reduction in force

shall be appealable by an affected employee only if based on inconsistent or improper application of a reduction in force policy, procedure or plan. Reclassification shall not ordinarily be deemed grievable as a demotion. However, if an allegation is made that a reclassification is punitive and the Director of Human Resource Management determines there is any material issue of fact or conclusion to be drawn from the facts of the allegation, then the reclassification shall be deemed grievable.

Explanation:

Changes State Personnel Director to the Director of Human Resource Management.

19.775.03 Currently reads:

Grievances shall be appealable through the State Personnel Director to the State Employee Grievance Committee. The State Personnel Director shall assemble all records, reports and documentation of the earlier proceedings on the grievance and review the case to ascertain that there has been full compliance with established grievance policies, procedures, and regulations within the agency involved and shall determine whether the action is grievable to the Committee. Upon receipt of appeals of questionable jurisdiction, the State Personnel Director shall determine, after consultation with the Attorney General's Office, whether an action is grievable.

Proposed to read:

Grievances shall be appealable through the Director of the Division of Human Resource Management to the State Employee Grievance Committee. The Director of the Division of Human Resource Management shall assemble all records, reports and documentation of the earlier proceedings on the grievance and review the case to ascertain that there has been full compliance with established grievance policies, procedures, and regulations within the agency involved and shall determine whether the action is grievable to the Committee. Upon receipt of appeals of questionable jurisdiction, the Director of the Division of Human Resource Management shall determine, after consultation with the Attorney General's Office, whether an action is grievable.

Explanation:

Changes State Personnel Director to the Director of the Division of Human Resource Management.

19-775.04 Currently reads:

Once an appeal has been made to the State Personnel Director and has been determined to be appealable to the Committee, the State Personnel Director or the Director's designee shall review the record of the internal grievance process and shall schedule appointments to discuss the grievance separately with the employee or the employee's representative, or both, and representatives of the agency to attempt to resolve the matter. If an agreement between the two parties is not reached, the State Personnel Director or the Director's designee shall present tentative findings and recommendations to both parties for resolution of the grievance appeal. Each party shall submit a written response within ten calendar days setting forth acceptance or rejection of the recommendations. Any discussions by any of the parties concerned during the mediation process shall be kept confidential and shall not be used or referred to during subsequent proceedings on the appeal.

Proposed to read:

Once an appeal has been made to the Director of the Division of Human Resource Management and has been determined to be appealable to the Committee, the Director of the Division of Human Resource Management or the Director's designee shall review the record of the internal grievance process and shall schedule appointments to discuss the grievance separately with the employee or the employee's representative, or both, and representatives of the agency to attempt to resolve the matter. If an agreement between the two parties is not reached, the Director of the Division of Human Resource Management or the Director's designee shall present tentative findings and recommendations to both parties for resolution of the grievance appeal. Each party shall submit a written response within ten calendar days setting forth acceptance or rejection of the recommendations. Any discussions by any of the parties concerned during the mediation process shall be kept confidential and shall not be used or referred to during subsequent proceedings on the appeal.

EXHIBIT

NOV 10 1992

19

Explanation:

STATE BUDGET & CONTROL BOARD

Changes State Personnel Director to the Director of the Division of Human Resource Management.

19-775.05 Currently reads:

The State Personnel Director shall notify Committee members, the Committee Attorney and all other parties concerned of the date, time and place of grievance hearings and request their presence.

Proposed to read:

The Director of the Division of Human Resource Management shall notify Committee members, Committee Attorney and all other parties concerned of the date, time and place of grievance hearings and request their presence.

Explanation:

Changes State Personnel Director to the Director of the Division of Human Resource Management.

19-775.06 Currently reads:

The State Personnel Director shall arrange for the reproduction of pertinent files, records and papers and distribute copies to the members of the Committee that will hear the grievance and to the Committee Attorney prior to the date of the hearing. The State Personnel Director shall be responsible for recording the grievance hearings and shall provide to the Committee from the resources of the State Personnel Division such administrative and clerical services as may be required.

Proposed to read:

The Director of the Division of Human Resource Management shall arrange for the reproduction of pertinent files, records and papers and distribute copies to the members of the Committee that will hear the grievance and to the Committee Attorney prior to the date of the hearing. The Director of the Division of Human Resource Management shall be responsible for recording the grievance hearings and shall provide to the Committee from the resources of

the Division of Human Resource Management such administrative and clerical services as may be required.

Explanation:

Changes State Personnel Director and State Personnel Division to the Director of the Division of Human Resource Management and to the Division of Human Resource Management.

19-775.07A. Currently reads:

The following shall apply regarding witnesses and representatives.

A. After a grievance appeal has been determined to be grievable to the Committee and has been placed on the Committee's docket, the parties shall, at the request of the State Personnel Division, provide the names and complete mailing addresses of all witnesses and representatives that they desire to have present and/or testify at the hearing before the Committee. If the names and complete mailing addresses of the proposed witnesses and representatives are furnished to the State Personnel Division in writing no later than ten (10) days before the day set for the hearing of a grievance appeal, the State Personnel Division will send written notice of the date, time, and place of the hearing to the designated witnesses and representatives. The parties will be solely responsible for notifying any witnesses and representatives, whose names and addresses have not been provided the State Personnel Director at least ten (10) days prior to the day set for the hearing, of the date, time and place of the hearing.

Proposed to read:

The following shall apply regarding witnesses and representatives.

A. After a grievance appeal has been determined to be grievable to the Committee and has been placed on the Committee's docket, representatives for the appellant and the agency shall exchange witness lists and forward a copy of the lists to the Division of Human Resource Management no later than five (5) days prior the hearing. Witness lists which have not been exchanged as required by this provision, will be excluded unless the Committee finds that there has been excusable neglect or that the witness(es) should be admitted in the furtherance of justice.

Explanation:

Changes State Personnel Division to the Division of Human Resource Management and method of notifying witnesses of a hearing.

19-775.07B Currently reads:

B. Prior to the date of the hearing, the State Personnel Division shall furnish each party a list of the witnesses and representatives filed by the opposing party.

Proposed to read:

B. The Division of Human Resource Management must be notified at least five (5) days prior to the hearing of any representatives that will be present. Representatives may only be added after this time with the consent of both parties and the Committee. Representatives who will be testifying must be listed as representatives and witnesses in order to testify. No more than three (3) representatives may be designated by either party.

Explanation:

Changes State Personnel Division to the Division of Human Resource Management and establishes in one location regulations related to representatives in a hearing.

19-775.07C. Currently reads:

C. The Division must be notified at least five (5) days prior to the hearing of any witnesses and representatives that will be present. Witnesses may not be added after this time. Representatives may be added after this time with the consent of both parties and the Committee. [Representatives who will be testifying must be listed as representatives and witnesses in order to testify.] No more than three character witnesses for each side will be permitted to testify before the Committee. A character witness is defined as a witness offered solely for the purpose of presenting testimony which bears on the positive or negative general character of the grievant, i.e. the grievant's reputation for truthfulness, peaceful or violent manner, or other considerations of character which have a bearing on the matter before the Committee.

Proposed to read:

C. No more than three (3) character witnesses for each side will be permitted to testify before the Committee. A character witness is defined as a witness offered solely for the purpose of presenting testimony which bears on the positive or negative general character of the grievant, i.e. the grievant's reputation for truthfulness, peaceful or violent manner, or other considerations of character which have a bearing on the matter before the Committee.

Explanation:

Establishes in one location regulations related to witnesses in a hearing.

19-775.08 Currently reads:

Any files, records and papers requested by the State Personnel Division from the agency should be forwarded no more than ten (10) days following the request. Any other files, records and papers submitted by either party to be forwarded to the Committee prior to the hearing must be received in the State Personnel Division at least ten (10) days prior to the hearing.

Proposed to read:

Any files, records and papers requested by the Director of the Division of Human Resource Management from the agency should be forwarded no more than ten (10) days following the request. Any other files, records and papers submitted by either party to be forwarded to the Committee prior to the hearing must be received in the Division of Human Resource Management at least ten (10) days prior to the hearing. Those documents submitted by both parties will be provided to Committee Members prior to the hearings and marked into evidence as Committee Exhibit I at the hearing.

Explanation:

Changes State Personnel Division to the Director of the Division of Human Resource Management and establishes that the records submitted to the Division will become the Committee's Exhibit I at the hearing.

19-775.10 Currently reads:

The Committee Chairman or his designee is authorized to issue subpoenas for files, records, and papers deemed pertinent to any investigation, and to subpoena witnesses at the request of either party. All subpoenas to be issued relating to the hearing will be issued by the Grievance Committee. In the event that either party in a case has difficulty in obtaining a witness's agreement to testify or to produce files, records and papers, such party must request in writing the issuance of a subpoena at least ten (10) days before the date of the hearing. The request for a subpoena must include the name and complete address of the witness and/or a description sufficiently specific to identify the documents in question. The request shall be forwarded to the State Personnel Division. The Chairman of the State Employee Grievance Committee, for the Committee, issues the subpoena; however, the service of the subpoena is the responsibility of the requesting party. Subpoenaed documents shall be produced on the day of the hearing. Any reasonable expenses incurred by a subpoenaed witness shall be paid by the requesting party.

Proposed to read:

The Committee Chairman or his designee is authorized to issue subpoenas for files, records, and papers deemed pertinent to any investigation, and to subpoena witnesses at the request of either party. All subpoenas to be issued relating to the hearing will be issued by the Grievance Committee. In the event that either party in a case has difficulty in obtaining a witness's agreement to testify or to produce files, records and papers, such party must request in writing the issuance of a subpoena at least ten (10) days before the date of the hearing. The request for a subpoena must include the name of the witness and/or a description sufficiently specific to identify the documents in question. The request shall be forwarded to the Division of Human Resource Management. The Chairman of the State Employee Grievance Committee, for the Committee, issues the subpoena; however, the service of the subpoena is the responsibility of the requesting party. Subpoenaed documents shall be made available at least five (5) days before the date of the hearing to the requesting party.

Explanation:

Changes State Personnel Division to the Division of Human Resource Management and provides that subpoenaed documents must be exchanged at least five (5) days before the hearing to provide for more expeditious hearings.

19-775.11 Currently reads:

Committee hearings shall be held in appropriate facilities within the State Personnel Division, Columbia, South Carolina, unless otherwise specified by the Committee.

Proposed to read:

Committee hearings shall be held in appropriate facilities within the Division of Human Resource Management, Columbia, South Carolina, unless otherwise specified by the Committee.

Explanation:

Changes State Personnel Division to the Division of Human Resource Management.

19-775.12 Currently reads:

The State Personnel Division shall develop standard forms to be used in all grievance procedures.

Proposed to read:

The Division of Human Resource Management shall develop standard forms to be used in all grievance procedures.

Explanation:

Changes State Personnel Division to the Division of Human Resource Management

19-775.14 Currently reads:

All proceedings of the Grievance Committee shall be in executive session. Only the parties involved in a hearing, the Committee Attorney, and officials specified by the Act may attend.

Proposed to read:

All proceedings of the Grievance Committee shall be in executive session unless the employee requests a public hearing in accordance with the Freedom of Information Act. If the hearing is held in executive session, only the parties involved in a hearing, the Committee Attorney and officials approved by the Chairman of the Committee may attend.

Explanation:

Changes the previous requirement that all hearings be held in executive session to comply with the Freedom of Information Act.

19-775.15 Currently reads:

All proceedings before the Committee shall be recorded. No recording devices other than the official recorder will be allowed in the hearing room. The tape shall be preserved as a permanent record of the Budget and Control Board and the Committee. The tapes will not be transcribed unless the Budget and Control Board, the Chairman, the Committee Attorney, or Committee members request such transcription.

Proposed to read:

All proceedings before the Committee shall be recorded by the Division of Human Resource Management. The tape shall be preserved in accordance with the retention schedule of the Division of Human Resource Management. The tapes will not be transcribed unless the Budget and Control Board, the Chairman, the Committee Attorney, or Committee members request such transcription. However, if the agency or appellant requests either a transcript or a copy of the transcript, the requesting party must pay the costs of the transcript or copy.

EXHIBIT

NOV 10 1992

19

STATE BUDGET & CONTROL BOARD

10 03402

Explanation:

Changes the time period for preservation of tapes to comply with the retention schedule of the Division and requires the requesting party to pay the costs of a transcript of a hearing.

19-775.18 Currently reads:

The agency will present its case first, followed by the appellant. The agency will have the option of closing first or last.

Proposed to read:

The employee shall present his case first followed by the agency. The employee will have the option of closing first or last.

Explanation:

Changes the order of presentation at the hearing and, therefore, defines that the employee has the burden of proof.

19-775.20 Currently reads:

Witnesses shall not be in the hearing room except for preliminary comments, the Committee's opening statement, and that witness' testimony.

Revised to read:

Witnesses other than representatives that will be witnesses shall be sequestered and shall not be in the hearing room except for preliminary comments, the Committee's opening statement, and that witness' testimony in a public hearing or a hearing held in executive session.

Explanation:

Designates that witnesses will be sequestered which was not required prior to the implementation of the Freedom of Information Act when all hearings were held in executive session.

19-775.31 Currently reads:

A chairman and a secretary shall be elected from the membership of the Committee each year for a term beginning July 1. A meeting for election of officers shall be held as soon as practicable after appointments are made.

Proposed to read:

A chairman and a secretary shall be elected from the membership of the Committee each year after approval of membership of new members by the Budget and Control Board. A meeting for election of officers shall be held as soon as practicable after appointments are made.

Explanation:

Changes election of Committee Chairman and Secretary to after approval of the Budget and Control Board from July 1 to accommodate the scheduling of the Board item.

19-775.34 Currently reads:

The Committee and the State Personnel Director may recommend to the Budget and Control Board that it promulgate these and other regulations as may be necessary to carry out the provisions of the State Employee Grievance Procedure Act of 1982.

Proposed to read:

The Committee and the Director of the Division of Human Resource Management may recommend to the Budget and Control Board that it promulgate these and other regulations as may be necessary to carry out the provisions of the State Employee Grievance Procedure Act of 1982.

Explanation:

Changes State Personnel Director to the Director of the Division of Human Resource Management.

EXHIBIT

State Personnel Regulations

NOV 10 1992

19

STATE BUDGET & CONTROL BOARD

19-706.02E. Currently reads:

E. All hearings before the State Employee Grievance Committee shall be in executive session.

Revised to read:

All hearings before the State Employee Grievance Committee shall be in executive session unless the employee requests a public hearing in accordance with the Freedom of Information Act.

Explanation:

Changes the format of the hearing to comply with the Freedom of Information Act.

19-706.02F. Currently reads:

Transcriptions of the State Employee Grievance Committee proceedings shall be available to the Budget and Control Board on request. However, if the agency or the appellant requests a copy, the requesting party must receive permission from the State Employee Grievance Committee and pay the costs of transcription.

Revised to read:

If the agency or the appellant requests either a transcript or a copy of a transcript of oral proceedings of a hearing before the State Employee Grievance Committee, the requesting party must pay the costs of the transcript or the copy.

Explanation:

Requires the requesting party to pay the cost of the transcript of the hearing.

Add 19-706.02 G.6. to read:

The intent of this regulation is only to make the employee whole as if the disciplinary action had not occurred.

Explanation:

Defines, more clearly, the relief available to the employee.

19-706.04 C.1. Currently reads:

Within ten (10) calendar days from receipt of the final decision of the agency, advise the Director of Human Resource Management, in writing, of the desire to appeal the agency's action to the State Employee Grievance Committee.

Revised to read:

Within ten (10) calendar days from receipt of the final decision of the agency head or within fifty-five (55) calendar days after the employee files the grievance with the agency, whichever occurs later, advise the Personnel Director of Human Resource Management, in writing, of the desire to appeal the agency's action to the State Employee Grievance Committee.

Explanation:

Changes the time period to file an appeal in accordance with the provisions of the Grievance Act.

19-706.04 D.6. Currently reads:

Make the necessary arrangements for the appeal to be heard by the State Employee Grievance Committee. This includes the notification of witnesses and representatives in accordance with provision 19-775.07 of the State Employee Grievance Committee Rules and Regulations, arrangements for recording the actual hearing, and providing for the examination of submitted records by both parties by their representatives.

Revised to read:

Make the necessary arrangements for the appeal to be heard by the State Employee Grievance Committee. This includes making arrangements for recording the actual hearing, and providing for the examination of submitted records by both parties by their representatives.

Explanation:

Deletes the requirement that the Division notify witnesses of the hearing.

19-796.04 D.7. Currently reads:

If necessary and upon the request and authority of the State Employee Grievance Committee, subpoena witnesses, files, records, and papers pertinent to the appeal.

Revised to read:

If necessary and upon the request and authority of the State Employee Grievance Committee, provide subpoenas for witnesses, files, records, and papers pertinent to the appeal.

Explanation:

Certifies that subpoenas are provided and not served by the Committee.

19-706.05 A. Currently reads:

The State Employee Grievance Committee shall establish a date, time and place for the hearing of each appeal and furnish the State Personnel Director reasonable notice for the appellant and the agency.

Revised to read:

The Director of Human Resource Management shall establish a date, time and place for the hearing of each appeal and furnish reasonable notice for the appellant and the agency.

Explanation:

Changes State Employee Grievance Committee to Director of the Division of Human Resource Management to conform with practice.

19-706.06 A. Currently reads:

The State Employee Grievance Committee shall retire into a separate executive session, without representatives of the agency or the appellant, to consider the testimony and the evidence. The Committee Attorney may be present during the Committee's deliberations on its decision upon the request of the presiding officer.

Revised to read:

The State Employee Grievance Committee shall retire into a separate executive session, without representatives of the agency or the appellant, to consider the testimony and the evidence. The Committee Attorney may be present during the Committee's deliberations on its decision upon the request of the presiding officer. No vote by the Committee will be taken in executive session.

Explanation:

Changes the format of the hearing process to conform with the Freedom of Information Act.

EXHIBIT

NOV 10 1992

19

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 10 1992

20

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 5

AGENCY: University of South Carolina

SUBJECT: Student and Faculty Housing Revenue Bond Anticipation Notes

The Board is asked to adopt a resolution authorizing the issuance and sale of \$800,000 University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992.

The Board approved the project and original financing last year. In December of 1991, \$850,000 Series 1991 Bond Anticipation Notes were issued. USC contemplates paying interest and \$50,000 of principal on the outstanding notes from excess revenues. The balance of \$800,000 would be rolled over with the new bond anticipation note issue.

The USC Board of Trustees on October 20 adopted a resolution authorizing the issuance of the bond anticipation notes. USC also has prepared calculations showing compliance with the necessary debt service test in order for the bonds to be issued. The State Treasurer's Office has reviewed the documents.

BOARD ACTION REQUESTED:

Adopt a resolution authorizing the issuance and sale of \$800,000 University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992.

ATTACHMENTS:

Howell October 28 letter; Resolution

03409

EXHIBIT

NOV 10 1992

20

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
USC Student & Faculty Housing

I, DONNA K. WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable John Drummond, Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10:00 a.m. on Tuesday, November 10, 1992, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 3:00 p.m. on Friday, November 6, 1992.

That all members of the Board were present at the meeting except Mr. Patterson.

That, at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Morris, who moved its adoption; the motion was seconded by Senator Drummond, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

4

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

November 12, 1992

Donna K. Williams

03410

A RESOLUTION CONFIRMING THE APPROVAL OF THE ISSUANCE OF NOT EXCEEDING \$850,000 UNIVERSITY OF SOUTH CAROLINA STUDENT AND FACULTY HOUSING REVENUE BONDS AND APPROVING THE PUBLIC SALE OF \$800,000 UNIVERSITY OF SOUTH CAROLINA STUDENT AND FACULTY HOUSING REVENUE BOND ANTICIPATION NOTES, SERIES 1992, TO FINANCE OR REFINANCE THE COST OF ACQUIRING STUDENT HOUSING FACILITIES FOR USC-COASTAL CAROLINA AND APPROVING THE USE OF EXCESS FUNDS TO PAY A PORTION OF THE DEBT SERVICE COMING DUE ON OUTSTANDING BOND ANTICIPATION NOTES.

BE IT RESOLVED BY THE SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD, IN MEETING DULY ASSEMBLED:

SECTION 1. Findings of Fact. As an incident to the adoption of this resolution, the South Carolina State Budget and Control Board (the "State Board") makes the following findings of fact:

(a) Act No. 904 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1960, as amended (the "Bond Enabling Act"), authorizes the Board of Trustees of the University of South Carolina (the "Trustees") to issue revenue bonds pursuant thereto, provided that the aggregate of all bonds outstanding thereunder shall not at any time exceed \$25,000,000.

(b) Heretofore, under date of March 29, 1971, the Trustees adopted the Student and Faculty Housing Revenue Bond Resolution (the "Bond Resolution") as a means of providing for the issuance of student and faculty housing revenue bonds, several issues of which are now outstanding.

(c) By action taken on June 27, 1990, the Trustees approved the acquisition of an apartment complex known as Carolina Commons to be used as student housing at USC-Coastal Carolina (the "Project"). On November 13, 1991, the Executive Committee of the Board of Trustees of the University of South Carolina adopted a resolution authorizing the issuance of \$850,000 of Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1991 (the "1991 BANs") to effect the purchase of the Project. Upon the approval of the State Board given by resolution adopted on November 26, 1991, the 1991 BANs were issued on December 17, 1991, and the proceeds thereof were applied to the payment of the costs of the Project.

(d) Because of the relatively small size of the Project and, because the Trustees anticipate the need for additional housing facilities for USC-Coastal Carolina in coming years, the Trustees have determined that the Project should be financed initially with a series of bond anticipation notes which could be rolled into a larger issue of revenue bonds for the additional facilities.

(e) Computations have been made, as required by the provisions of Article 4 of the Bond Resolution, and the Trustees have determined that all of the requirements thereof relating to the issuance of student and faculty housing bonds under the Bond Resolution (the "Bonds") have been met. A copy of the computations is attached hereto and incorporated herein as Exhibit A. A copy of the Trustees' approval is attached hereto and incorporated herein as Exhibit B. The Project has been designated as State Project H-32-9508.

(f) Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Note Enabling Act"), authorizes institutions of the State of South Carolina to borrow in anticipation of the issuance of bonds payable from the revenues of a revenue-producing facility.

(g) Pursuant to the Note Enabling Act, the Trustees propose to issue student and faculty housing revenue bond anticipation notes in the amount of \$800,000 (the "Bond Anticipation Notes") in anticipation of the issuance of the Bonds to provide funds with which to pay a portion of the principal coming due on the 1991 BANS on December 17, 1992.

(h) The Trustees propose to apply certain excess moneys held in the Debt Service Fund established under the Bond Resolution to pay the balance of the principal and interest coming due on the 1991 BANS on December 17, 1992.

SECTION 2. Confirmation of the Approval of Issuance of Bonds; Approval of Issuance of Bond Anticipation Notes; Use of Funds.

(a) The State Board hereby confirms and ratifies the approval of the issuance of not exceeding \$850,000 of University of South Carolina Student and Faculty Housing Revenue Bonds to provide permanent financing for the Project and hereby approves the issuance of \$800,000 of Student and Faculty Housing Revenue Bond Anticipation Notes in anticipation thereof.

(b) The State Treasurer is hereby authorized to sell the Bond Anticipation Notes at public sale and to award the Bond Anticipation Notes to the bidder offering the lowest net interest cost to the University of South Carolina.

(c) The State Board hereby approves the use of the proceeds of the Bond Anticipation Notes and excess funds held in the Debt Service Fund under the Bond Resolution to pay principal and interest coming due on the 1991 BANS.

OCT 28 1992
11:30 a.m.

HAYNSWORTH, MARION, McKAY & GUÉRARD
ATTORNEYS AT LAW

75 Beattie Place
Two Shelter Centre - Eleventh Floor
Post Office Box 2048
Greenville, South Carolina 29602
(803) 240-3200

1201 Main Street
AT&T Building - Suite 2400
Post Office Drawer 7157
Columbia, South Carolina 29202
(803) 765-1818
FAX (803) 765-2399

Two Prioleau Street
Post Office Box 1119
Charleston, South Carolina 29402
(803) 722-7606

EXHIBIT

October 28, 1992

HAND DELIVERED

NOV 10 1992 20

STATE BUDGET & CONTROL BOARD

Ms. Donna Williams
State of South Carolina
Budget & Control Board
Post Office Box 12444
Wade Hampton Office Building
6th Floor
Columbia, South Carolina 29211

Re: \$800,000 University of South Carolina Student and Faculty Housing
Revenue Bond Anticipation Notes, Series 1992

Dear Donna:

On behalf of the University of South Carolina, enclosed please find a proposed form of Resolution for consideration by the Budget and Control Board at its meeting scheduled for November 10 authorizing the issuance and sale of the above-captioned bond anticipation notes by the University. Attached to the Budget and Control Board's Resolution is a copy of the Resolution adopted by the University's Board of Trustees on October 20, together with calculations prepared by the University showing compliance with the necessary debt service test in order for these notes to be issued.

The project and original financing thereof by the issuance of \$850,000 Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1991, was approved last year by the Budget and Control Board. The outstanding notes were issued in December of last year. The University contemplates paying interest and \$50,000 of principal on the outstanding notes from excess revenues; the balance of \$800,000 would be rolled over with the new Bond Anticipation Note issue.

The outstanding BANS mature on December 17; obviously closing of this issue would have to occur prior to that date. As with last year's issue, the proceedings contemplate a competitive sale of the notes by the State Treasurer.

These documents have been reviewed by Charlie Shaw at the State Treasurer's Office and they are now in form for presentation to the Board.

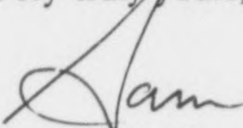
03413

Ms. Donna Williams
October 28, 1992
Page 2

Please let me know anything further you need in connection with placing this matter on the Board's agenda.

With kindest regards, I remain,

Very truly yours,



Samuel W. Howell, IV

SWH:sd

Enclosures

cc: Mr John H. Campbell
Mr Charles E. Shaw

03414

EXHIBIT

NOV 10 1992

20

TESTS PER BOND RESOLUTION

STATE BUDGET & CONTROL BOARD

SECTION 4.03

ENTIRE REVENUES FY 92
 MAXIMUM ANNUAL DEBT SERVICE
 EXISTING & NEW ISSUES

1,249,338
 130%

13,999,076

1,624,139

MARGIN

12,374,937
-----SECTION 4.04

ENTIRE REVENUES FY 92
 LESS O & M FY 92

13,999,076
 11,452,863

ANNUAL NET REVENUES

2,546,213

21,797,792 / 28 YEARS
 AVERAGE ANNUAL DEBT SERVICE
 EXISTING ISSUES

778,493
 130%

1,012,041

MARGIN

1,534,172
-----SECTION 4.05

90% FUTURE REVENUES NEW FACILITIES
 FUTURE REVENUES FY 93
 LESS O & M NEW FACILITIES
 LESS O & M FY 93

0
 14,500,000
 0
 12,750,000

ANNUAL NET REVENUES

1,750,000

22,855,192 / 28 YEARS
 AVERAGE ANNUAL DEBT SERVICE
 EXISTING & NEW ISSUES

816,257
 130%

1,061,134

MARGIN

688,856

COASTAL CAROLINA HOUSING ACQUISITION - PROFORMA BOND AMORTIZATION SCHEDULE

YEAR	INTEREST RATE	PRINCIPAL OUTSTANDING	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT	PRINCIPAL END OF YEAR
92/93	6.00%	0	0	0	0	800,000
93/94	6.00%	800,000	70,000	48,000	118,000	730,000
94/95	6.00%	730,000	75,000	43,800	118,800	655,000
95/96	6.00%	655,000	80,000	39,300	119,300	575,000
96/97	6.00%	575,000	85,000	34,500	119,500	490,000
97/98	6.00%	490,000	85,000	29,400	114,400	405,000
98/99	6.00%	405,000	95,000	24,300	119,300	310,000
99/00	6.00%	310,000	95,000	18,600	113,600	215,000
00/01	6.00%	215,000	105,000	12,900	117,900	110,000
01/02	6.00%	110,000	110,000	6,600	116,600	0
TOTALS			800,000	257,400	1,057,400	

A RESOLUTION

SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA," ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF SOUTH CAROLINA ON THE 29TH DAY OF MARCH 1971, AS SUPPLEMENTED FROM TIME TO TIME, BY MAKING PROVISION FOR ISSUANCE OF NOT EXCEEDING \$800,000 UNIVERSITY OF SOUTH CAROLINA STUDENT AND FACULTY HOUSING REVENUE BONDS, TO RAISE MONEYS TO FINANCE THE COST OF ACQUIRING STUDENT HOUSING FACILITIES FOR USC-COASTAL CAROLINA; AND AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

WHEREAS, the Board of Trustees of the University of South Carolina (the "Trustees"), a body corporate and politic and the governing body of the University of South Carolina (the "University"), has heretofore, on March 29, 1971, adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF STUDENT AND FACULTY HOUSING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA" (the resolution, as supplemented and amended from time to time, being herein referred to as the "Bond Resolution") as a means of providing, inter alia, for the issuance of bonds of the University whose proceeds are to be used for financing Facilities (as that term is defined in the Bond Resolution); and

WHEREAS, the Bond Resolution expressly provides that Bonds shall be issued pursuant to a resolution expressed to be supplemental to the Bond Resolution; and

WHEREAS, Act No. 904 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1960, as amended (the "Bond Enabling Act"), authorizes the Trustee to issue bonds pursuant thereto, provided that the aggregate of all bonds outstanding shall not at any time exceed twenty-five million dollars (\$25,000,000) plus any further sums as the Trustees determine to borrow from time to time for the purpose of refunding all or any part of the bonds theretofore issued; and

WHEREAS, the Bond Enabling Act in Section 2 mandates that all bonds "shall be payable from the entire revenues derived by the University from all student and faculty housing facilities which it may now or hereafter possess, and such revenues shall be pledged to the payment..." of the bonds; and

WHEREAS, Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Note Enabling Act"), authorizes institutions of the State of South Carolina to borrow in anticipation of the issuance of bonds payable from the revenues of a revenue producing facility; and

WHEREAS, the Trustees, having received approval of the South Carolina Budget and Control Board and of the Joint Bond Review Committee, to acquire the student and faculty housing facilities herein authorized, are in a position to comply with the mandate of the Bond Enabling Act that the revenues to be derived from such facilities shall be pledged, equally and ratably, to the payment of all student and faculty housing revenue bonds of the University; and

WHEREAS, heretofore, on June 27, 1990, the Trustees authorized the acquisition of an apartment complex known as Carolina Commons Apartments for student housing on land adjacent to USC-Coastal Carolina consisting of forty-eight apartments in two three-story buildings (the "Project"), provided that a test, comparable to the test for the issuance of additional bonds under the Bond Resolution, could be met; and

WHEREAS, it is anticipated by the Trustees that the revenues to be derived from the Facilities to be acquired for USC-Coastal Carolina will be fully sufficient to amortize the principal of and interest on the bonds herein authorized; and

WHEREAS, computations have been made as required by the provisions of Article IV of the Bond Resolution and it has been determined that all of the requirements of the Bond Resolution relating to the issuance of bonds have or will be met on or before the delivery of the bonds authorized by this Resolution (the "Bonds"); and

WHEREAS, exercising the authorization contained in the Note Enabling Act, the Trustees have previously issued \$850,000 Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1991 (the "1991 BANs") on December 17, 1991, to provide interim financing for the costs of the Project pending issuance of the Bonds; and

WHEREAS, the Trustees have determined to pay the interest coming due on the 1991 BANs and \$50,000 of principal of the 1991 BANs from excess moneys held in the Debt Service Fund under the Bond Resolution and to refund the remaining \$800,000 of principal of the 1991 BANs through the issuance of bond anticipation notes authorized pursuant to the Note Enabling Act and this Resolution.

NOW, THEREFORE, on the basis of the foregoing, the Trustees adopt this Resolution to provide for the issuance of not exceeding \$800,000 Student and Faculty Housing Revenue Bonds, and pending their issuance, the issuance of \$800,000 Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992, in order to raise the funds to refund a portion of the 1991 BANs, the proceeds of which were used to pay the costs of the Project.

**ARTICLE I
DEFINITIONS**

Section 1.01 Defined Terms.

Except as otherwise set forth in the preambles of this Resolution or below or unless the context otherwise requires, all terms used in this Resolution shall have the respective meanings ascribed to them in Article II of the Bond Resolution.

"Bonds" shall mean the not exceeding \$800,000 Student and Faculty Housing Revenue Bonds authorized to be issued under the Bond Resolution and this Resolution.

"Bond Year" shall mean the twelve month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"Chairman" shall mean the chairman of the Trustees.

"Chief Financial Officer" shall mean the Treasurer of the University, Vice President for Business and Finance.

"Closing Date" shall mean the date upon which there is an exchange of the Notes for the proceeds representing the purchase of the Notes by the Original Purchaser.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Notes during the period of computation, excluding amounts scheduled during that period which relate to principal which has been retired before the beginning of the period.

"Gross Proceeds" shall mean the sum of the following amounts:

- (i) original proceeds, namely, net amounts received by or for the Trustees as a result of the sale of the Notes, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Notes;
- (ii) investment proceeds, namely, amounts received at any time by or for the Trustees, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in

Nonpurpose Investments (as defined in the Code), increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Notes;

- (iii) sinking fund proceeds, namely, amounts, other than original proceeds or investment proceeds (as referenced in clauses (i) and (ii) above) of the Notes, which are held in the Debt Service Fund and any other fund to the extent that the Trustees reasonably expect to use the other fund to pay Debt Service on the Notes;
- (iv) Investment Property pledged as security for payment of Debt Service on the Notes by the Trustees;
- (v) amounts, other than as specified in this definition, used to pay Debt Service on the Notes; and
- (vi) amounts received as a result of investing amounts described in this definition.

"Net Proceeds", when used with reference to the Notes, shall mean the face amount of the Notes, plus accrued interest and premium, if any.

"Note Enabling Act" shall mean Chapter 17, Title 11 of the Code of Laws of South Carolina 1976, as amended.

"Notes" shall mean the Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992, of the University authorized to be issued hereunder in the aggregate principal amount of not exceeding \$800,000.

"Original Purchaser" shall mean the first purchaser of the Notes from the University.

"Paying Agent" means the State Treasurer or his designee.

"Private Business Use" shall mean use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" shall mean the acquisition of an apartment complex for student housing consisting of forty-eight (48) apartments in two three-story buildings for USC-Coastal Carolina.

"Purchase Price", for the purpose of computation of the Yield of the Notes, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Notes to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Notes are sold or, if the Notes are privately placed, the price paid by the first buyer of the Notes or the acquisition cost of the first buyer.

"Regulations" shall mean temporary and permanent regulations promulgated under the Code.

"Resolution" shall mean this supplemental resolution as from time to time amended or supplemented by one or more supplemental resolutions.

"Secretary" shall mean the secretary of the Trustees.

"State Treasurer" shall mean the State Treasurer of the State of South Carolina.

"Yield" shall mean that yield which, when used in computing the present worth of all payments of principal and interest on the Notes produces an amount equal to the Purchase Price of the Notes, all computed as prescribed in applicable Regulations.

Section 1.02 General Rules of Interpretation.

(a) Articles, Sections, and Paragraphs mentioned by number are the respective Articles, Sections, and Paragraphs of this Resolution so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations, and corporations and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of the Notes do not include or connote the payment of Notes at their stated maturity or the purchase of Notes.

(d) Word importing the singular number include the plural number and vice versa.

EXHIBIT

**ARTICLE II
ISSUANCE OF BONDS**

Section 2.01 Authorization of Bonds.

Pursuant to the provisions of the Bond Enabling Act and the Bond Resolution, and for the purposes of providing permanent financing for the costs of the Project, costs of issuance of the Bonds, and interest on the Notes or Bonds, there shall be issued not exceeding Eight Hundred Thousand and no/100 Dollars (\$800,000.00) of student and faculty housing revenue bonds of the University as "Bonds" under the Bond Resolution. The Bonds shall be designated "Student and Faculty Housing Revenue Bonds" with any appropriate series or further designation as determined by resolution of the Trustees. The Bonds shall be dated, shall mature, shall be sold at public or private sale, shall bear interest at the rate or rates and on the dates, and shall be subject to redemption prior to their maturity, all as set forth in a resolution to be adopted by the Trustees. The Bonds may be issued in one or more series as determined by the Trustees. The principal amount of the Bonds may be reduced to the extent funds are available from Entire Revenues to pay debt service on the Notes or costs of the Project.

**ARTICLE III
AUTHORIZATION AND ISSUANCE OF NOTES**

Section 3.01 Statutory Authorization of Notes.

The Trustees, the governing body of the University, are authorized and empowered by the Enabling Act and by the Note Enabling Act, to borrow pursuant to the provisions thereof in anticipation of the receipt of the proceeds of the Bonds.

Section 3.02 Issuance of Notes.

Pursuant to the statutory authorization cited above, in order to obtain funds to refund the 1991 BANs, the proceeds of which were used to defray the costs of the acquisition of the Project, pending the issuance of the Bonds, the Trustees shall borrow \$800,000 to be evidenced by bond anticipation notes in the aggregate principal amount of \$800,000 to be designated "Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992" (the "Notes"), dated the date of their delivery and maturing one year from their date of issuance.

Section 3.03 Form of Notes.

The Notes shall be issued in the aggregate principal amount of \$800,000 and shall be in substantially the form attached hereto as Exhibit A, with any necessary changes or appropriate variations,

omissions, and insertions as are incidental to the series, numbers, denominations, and registration and transfer provisions as are otherwise permitted or required by law or by the Bond Resolution or this Resolution. The Notes shall be issued in denominations of \$25,000, or any whole multiple thereof, requested by the Original Purchaser. The Notes shall be issued in typewritten form. The Notes shall be payable to bearer or, at the option of the Original Purchaser, to or upon the order of the registered owner.

Section 3.04 Interest Rate on Notes.

The Notes shall bear interest at the rate as may be approved by the State Treasurer at the sale thereof, which interest shall be payable at maturity. Interest on the Notes shall be payable on the principal amount thereof from their date. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 3.05 Medium of Payment; Place of Payment.

The Notes shall be payable, both principal and interest, in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Principal of and interest on the Notes shall be paid when due upon presentation and surrender thereof at the place as designated by the Original Purchaser and approved by the State Treasurer.

Section 3.06 No Prepayment of Notes.

The Notes are not subject to prepayment prior to maturity.

Section 3.07 Sale of Notes.

The Notes shall be sold at public sale, at a price of not less than par. Bids shall be received until the time and date and at such place as shall be selected by the State Treasurer. The State Treasurer is authorized and empowered to award the Notes in accordance with the terms and conditions set forth in the Notice attached hereto as Exhibit B, or to reject all bids. The Notes shall be advertised for sale in:

THE STATE, a newspaper published in the City of Columbia, South Carolina, and having general circulation in the State of South Carolina.

The notice shall appear at least once, not less than seven (7) days prior to the date set for the sale.

Section 3.08 Execution of Notes.

The Notes shall be executed in the name of the Trustees by the manual or facsimile signature of the Chairman, under the Seal of the University which shall be impressed thereon, and shall be attested by the manual signature of the Secretary or any assistant or acting secretary and by the manual signature of the Treasurer and Vice President for Business and Finance of the University, and delivered to the purchaser thereof upon receipt of the purchase price therefor.

Section 3.09 Mutilated, Lost, Stolen, or Destroyed Notes.

In the event any Note is mutilated, lost, stolen, or destroyed, the Trustees may execute a new Note of like date, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Note, it shall first be surrendered to the Trustees, and in the case of any lost, stolen, or destroyed Note, there shall be first furnished to the Trustees evidence of the loss, theft, or destruction satisfactory to the Trustees, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of the bank or insurance company to indemnify shall be sufficient. In the event any Note shall have matured, instead of issuing a duplicate Note, the Trustees may pay it without surrender thereof. The Trustees may charge the holder of the Note with its reasonable fees and expenses in this connection.

Section 3.10 Registration and Transfer of Registered Notes;
Persons Treated as Owners.

(a) Any Note issued in fully-registered form shall be transferable only upon the books of registry of the Trustees, which shall be kept for that purpose at the office of the State Treasurer as note registrar, by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the State Treasurer as note registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Note, the Trustees shall issue, subject to the provisions of Section 3.12 hereof, in the name of the transferee, a new Note or Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Note.

(b) Any holder of a Note in fully-registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Note in fully-registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal and interest of any Note in fully-registered form shall

be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the Trustees shall not be affected by any notice to the contrary, but the registration may be changed as herein provided. All payments made in this manner shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums paid.

Section 3.11 Exchange of Registered Notes.

Notes issued in fully registered form, upon surrender thereof at the office of the State Treasurer as note registrar, with a written instrument of transfer satisfactory to the State Treasurer, duly executed by the holder of the Note or his duly authorized attorney, may, at the option of the holder of the Note, and upon payment by such holder of any charges which the State Treasurer may make as provided in Section 3.10, be exchanged for a principal amount of Notes of any other authorized denomination equal to the unpaid principal amount of surrendered Notes.

Section 3.12 Regulations with Respect to Exchanges and Transfer of Registered Notes.

In all cases in which the privilege of exchanging or transferring Notes in fully-registered form is exercised, the Trustees shall execute and deliver Notes in accordance with the provisions of this Resolution. All Notes in fully-registered form surrendered in any exchanges or transfers shall herewith be cancelled by the Trustees. There shall be no charge to the holder of the Note for the exchange or transfer of Notes in fully-registered form except that the Trustees or the State Treasurer may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer.

**ARTICLE IV
COVENANTS**

Section 4.01 Security for the Notes.

For the payment of the Notes, there are hereby pledged the proceeds derived from the sale of the Bonds issued pursuant to the Enabling Act. The proceeds of the Bonds, when received by the Trustees, shall be applied first to the payment of principal and interest on the Notes.

Section 4.02 Agreement to Issue Bonds.

The Trustees covenant and agree, pursuant to Section 11-17-60 of the Code of Laws of South Carolina 1976, as amended, to issue and sell the Bonds, in an amount sufficient to retire the Notes, prior to the maturity of the Notes.

Section 4.03 All Notes Equally and Ratably Secured.

The Notes authorized and issued pursuant to this Resolution shall be secured equally and ratably by the aforesaid pledge of proceeds.

Section 4.04 No Further Notes Except Junior Notes.

The Trustees agree with the holders of the Notes that the Trustees will issue no further bond anticipation notes unless the same are expressly made junior to the Notes authorized by this Resolution.

Section 4.05 Performance of Covenants; Authority of the Trustees.

The Trustees covenant that they will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Note Enabling Act, in the Bond Resolution, in this Resolution, in the Notes executed and delivered hereunder, and in all proceedings pertaining thereto. The Trustees covenant that the University is duly authorized under the laws of the State of South Carolina to issue the Notes authorized hereby, and that the Trustees are duly authorized under the laws of the State of South Carolina to adopt this Resolution, and to pledge the proceeds of the Bonds hereby pledged in the manner and to the extent herein set forth; that all action on their part for the issuance of the Notes and the adoption of this Resolution has been duly and effectively taken; and that the Notes in the hands of the holders thereof are and will be valid and enforceable obligations of the University according to the import thereof.

**ARTICLE V
TAX EXEMPTION OF NOTES**

Section 5.01 Exemption for State Taxes.

The Notes and the interest thereon shall be exempt from all state, county, municipal, school district, and all other taxes or assessments in the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes.

Section 5.02 Federal Guarantee Prohibition.

The Trustees shall not take any action or permit or suffer any action to be taken if the result would be to cause the Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations.

Section 5.03 Private Business Use Limitation.

The Trustees shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Notes is used for Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Notes during the term thereof is, under the terms of the Notes or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Trustees, in respect of property or borrowed money used or to be used for a Private Business use; and (ii) in the event that both (a) in excess of five percent (5%) of the Net Proceeds of the Notes are used for a Private Business Use, and (b) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Notes during the term thereof is, under the terms of the Notes or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for Private Business Use or is to be derived from payments, whether or not to the Trustees, in respect of property or borrowed money used or to be used for the Private Business Use, then the excess over the five percent (5%) of Net Proceeds of the Notes used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project.

Section 5.04 Private Loan Limitation.

The Trustees shall assure that not in excess of five percent (5%) of the Net Proceeds of the Notes are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

Section 5.05 No Arbitrage.

The Trustees shall not take, or permit or suffer to be taken, any action with respect to the Gross Proceeds of the Notes which would have caused the Notes to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations.

**ARTICLE VI
DISPOSITION OF NOTE PROCEEDS; PAYMENT OF 1991 BANS**

Section 6.01 Disposition of Note Proceeds.

Upon delivery of the Notes, all proceeds therefrom shall be paid to the State Treasurer and shall be used to pay a portion of the principal coming due on the 1991 BANS. Any earnings from

investment of the Note proceeds shall be credited to the Debt Service Fund established under the Bond Resolution.

Section 6.02 Purchaser Not Liable for Proper Application of Proceeds.

No purchaser or holder of the Notes shall be liable for the proper application of the proceeds thereof.

Section 6.03 Payment of 1991 BANs.

The Trustees hereby authorize and direct that excess funds on deposit in the Debt Service Fund and otherwise not required to pay debt service on any bonds outstanding under the Bond Resolution, be applied to pay interest on the 1991 BANs and \$50,000 of principal of the 1991 BANs as they come due.

**ARTICLE VII
DEFEASANCE**

Section 7.01 Discharge of Resolution.

(a) If all of the Notes issued pursuant to this Resolution shall have been paid and discharged, then the obligations of the University under this Resolution, the pledge of Bond proceeds made thereby, and all other rights granted thereby shall cease and determine. Notes shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

- (i) If the Paying Agent shall hold, at the stated maturity of such Notes, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or
- (ii) If default in the payment of the principal of such Notes or the interest thereon shall have occurred, and thereafter tender of payment shall have been made, and the Paying Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or
- (iii) If there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer thereof prior to the date of maturity of the Notes to be defeased, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if

any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on the Notes on the maturity thereof.

(b) In addition to the above requirements of paragraphs (i), (ii), or (iii), in order for this Resolution to be discharged, all other fees, expenses and charges of the Paying Agent, if any, shall have been paid in full at that time.

Section 7.02 Deposit of Moneys.

Any moneys which at any time shall be deposited with the Paying Agent by or on behalf of the University for the purpose of paying and discharging any Notes shall be and are hereby assigned, transferred and set over to the Paying Agent in trust for the respective holders of such Notes, and the moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such Notes shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Paying Agent to transfer the funds to the Trustees.

Section 7.03 Notice of Release of Resolution.

The Trustees covenant and agree that any moneys which they shall deposit with the Paying Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and whenever it shall have elected to defease any Notes, they will irrevocably bind and obligate themselves to give notice of the defeasance thereof, and will further authorize and empower the Paying Agent to cause such notice of the defeasance to be given in its name and on its behalf by mailing the notice to the registered owners of the Notes at the address shown on the books of registry and, if any Notes in bearer form are then outstanding, by publishing one (1) time notice of defeasance in a financial journal published in the City of New York, New York.

ARTICLE VIII AMENDING AND SUPPLEMENTING OF RESOLUTION

Section 8.01 Amending and Supplementing of Resolution Without Consent of Holders of Notes.

(a) The Trustees, from time to time and at any time and without the consent or concurrence of any holder of any Note, may adopt a resolution amendatory hereof or supplemental hereto, if the provisions of such supplemental resolution shall not materially adversely affect the rights of the holders of the Notes then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in this Resolution as to which the Trustees shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert into this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

2. To add additional covenants and agreements of the Trustees for the purpose of further securing the payment of the Notes;

3. To surrender any right, power or privilege reserved to or conferred upon the Trustees by the terms of this Resolution;

4. To confirm as further assurance any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;

5. To grant or confer upon the holders of the Notes any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

6. To modify any of the provisions of this Resolution in any other respects provided that such modification shall not be effective until after the Notes outstanding at the time such supplemental resolution is adopted shall cease to be outstanding, or until the holders thereof consent thereto pursuant to Section 8.02 hereof, and any Notes issued subsequent to any such modification shall contain a specific reference to the modifications contained in such supplemental resolution; and

7. To make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure excludability of interest on the Notes from federal income taxation.

(b) The Trustees shall not adopt any supplemental resolution authorized by the foregoing provisions of this Section unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 8.04 hereof) the adoption of such supplemental resolution is permitted by the foregoing provisions of this Section and the provisions of such supplemental resolution do not adversely affect the rights of the holders of the Notes then outstanding.

Section 8.02 Amending and Supplementing of Resolution With
Consent of Holders of Notes.

(a) With the consent of the holders of not less than a majority in principal amount of the Notes then outstanding, the Trustees from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Resolution, or modifying or amending the rights and obligations of the Trustees under this Resolution, or modifying or amending in any manner the rights of the holders of the Notes then outstanding; provided, however, that, without the specific consent of the holder of each such Note which would be affected thereby, no supplemental resolution amending or supplementing the provisions hereof or thereof shall: (i) change the fixed maturity date of any Note or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Note or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any supplemental resolution amending or supplementing the provisions of this Resolution; (iii) give to any Note or Notes any preference over any other Note or Notes secured hereby; (iv) authorize the creation of any pledge of the proceeds of the Bonds, prior, superior or equal to the pledge created herein for the payment of the Notes; or (v) deprive any holder of the Notes of the pledge of the proceeds of the Bonds afforded by this Resolution. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the holders of the Notes of the adoption of any supplemental resolution authorized by the provisions of Section 8.01 hereof.

(b) It shall not be necessary that the consents of the holders of the Notes approve the particular form of wording of the proposed amendment or supplement or of the supplemental resolution affecting such amending or supplementing hereof pursuant to this Section. The Trustees shall (i) mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement of such amendment or supplement postage prepaid, to each holder of Notes in fully-registered form then outstanding at his address, if any, appearing upon the books of registry and to the Paying Agent, and (ii) if any Notes in bearer form are then outstanding, publish notice thereof one (1) time in a financial journal published in the City of New York, New York, but failure to mail copies of such notice to any of the holders shall not affect the validity of the supplemental resolution effecting such amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of this Resolution authorized by Section 8.01 hereof. No action

or proceeding to set aside or invalidate such supplemental resolution or any of the proceedings for its adoption shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the mailing or publication (as applicable) of the notice required by this paragraph.

Section 8.03 Notation Upon Notes; New Notes Issued Upon Amendments.

Notes delivered after the effective date of any action taken as provided in this Article may bear a notation as to such action, by endorsement or otherwise and in form approved by the Trustees. In that case, upon demand of the holder of any Note outstanding after such effective date and upon the presentation of the Note for such purpose at the office of the Paying Agent, and at such additional offices, if any, as the Trustees may select and designate for that purpose, a suitable notation shall be made on such Note. If the Trustees shall so determine, new Notes, so modified as in the opinion of the Trustees upon the advice of counsel to conform to the amendments or supplements made pursuant to this Article, shall be prepared, executed and delivered, and upon demand of the holder of any Note then outstanding shall be exchanged without cost to such holder for Notes then outstanding, upon surrender of such outstanding Notes.

Section 8.04 Effectiveness of Supplemental Resolution.

Upon the adoption (pursuant to this Article and applicable law) by the Trustees of any supplemental resolution amending or supplementing the provisions of this Resolution and the delivery to the Paying Agent of an opinion of bond counsel that such supplemental resolution is in due form and has been duly adopted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the Trustees, or upon such later date as may be specified in such supplemental resolution, (a) this Resolution and the Notes shall be modified and amended in accordance with such supplemental resolution, (b) the respective rights, limitations of rights, obligations, duties and immunities under this Resolution of the Trustees and the holders of the Notes shall thereafter be determined, exercised and enforced under this Resolution subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental resolution shall be a part of the terms and conditions of the Notes and of this Resolution for any and all purposes.

Section 8.05 Supplemental Resolution Affecting Paying Agent.

No supplemental resolution changing, amending or modifying any of the rights, duties and obligations of any Paying Agent appointed by or pursuant to the provisions of this Resolution may be adopted

by the Trustees or be consented to by the holders of the Notes without written consent of such Paying Agent effected thereby.

**ARTICLE IX
MISCELLANEOUS**

Section 9.01 Resolution Supplemental to Bond Resolution; Bonds Issued Pursuant to Terms of Bond Resolution.

This Resolution is expressly declared to be supplemental to the Bond Resolution. Upon the delivery of the Bonds, they shall constitute "Bonds" as that term is used in the Bond Resolution and shall be entitled to the benefit of all covenants and agreements made available by the Bond Resolution for all bonds at any time outstanding.

Section 9.02 Additional Covenants.

Appropriate steps as required by Section 16.02 of the Bond Resolution shall be taken with respect to the additional covenants assumed by the University and the Trustees pursuant to Article II hereof.

Section 9.03 Computations of Chief Financial Officer Pursuant to Bond Resolution.

The certificate of the Chief Financial Officer of the University pursuant to Section 4.02 of the Bond Resolution herewith presented are hereby approved.

Section 9.04 Execution of Closing Documents and Certificates.

The Chairman and the Secretary are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 9.05 Vice Chairman May Act in Chairman's Absence; Acting Secretary may Act in Secretary's Absence.

In the absence of the Chairman, the Vice Chairman of the Trustees is fully authorized to exercise all powers vested in the Chairman under this Resolution. In the absence of the Secretary, the acting or assistant Secretary of the Trustees is fully authorized to exercise all powers and take all actions vested in the Secretary under this Resolution.

Section 9.06 Benefits of Resolution Limited to the Trustees and Holders of the Notes.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Notes or the Bonds is intended or should be construed to confer upon or give to any person other than the Trustees and the holders of the Notes or the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Trustees and the holders from time to time of the Notes or the Bonds as herein and therein provided.

Section 9.07 Resolution Binding Upon Successors or Assigns of the Trustees.

All the terms, provisions, conditions, covenants, warranties, and agreements contained in this Resolution shall be binding upon the successors and assigns of the Trustees and shall inure to the benefit of the holders of the Notes and the Bonds.

Section 9.08 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Trustees contained in this Resolution or the Notes, against any of the Trustees, or any officer or employee of the University, in his or her individual capacity, past, present, or future.

Section 9.09 Effect of Saturdays, Sundays, and Legal Holidays.

Whenever this Resolution requires any action to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina, the action shall be taken on the first business day occurring thereafter. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina, the time shall continue to run until midnight on the next succeeding business day.

Section 9.10 Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State of South Carolina.

Section 9.11 Effect of Article and Section Headings and Table of Contents.

The headings or titles of the several Articles and Sections hereof, and any Table of Contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 9.12 Savings Provision.

If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 9.13 Repealing Clause.

All resolutions, ordinances, or parts thereof inconsistent herewith shall be, and the same are hereby, repealed to the extent of such inconsistencies.

Section 9.14 Effective Date.

This Resolution shall be effective without the necessity of any publication upon the date on which it is adopted.

DONE IN MEETING DULY ASSEMBLED this _____ day of _____, A.D. 1992.

(SEAL)

Chairman, Board of Trustees of
the University of South Carolina

ATTEST:

Secretary, Board of Trustees of
the University of South Carolina

EXHIBIT

NOV 10 1992

20

EXHIBIT A

STATE BUDGET & CONTROL BOARD

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
UNIVERSITY OF SOUTH CAROLINA
STUDENT AND FACULTY HOUSING REVENUE
BOND ANTICIPATION NOTE
SERIES 1992

No. _____

KNOW ALL MEN BY THESE PRESENTS, that the University of South Carolina, a state-supported institution of higher learning of the State of South Carolina, FOR VALUE RECEIVED promises to pay, but only from the sources as hereinafter described, to _____ the principal sum of _____ and no/100 (\$ _____) DOLLARS, on _____, 1993, together with interest from the date hereof at the rate of _____ and _____/100 per centum (_____) per annum, payable at maturity.

THIS NOTE is [one of an issuance of \$800,000 aggregate principal amount] being issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Title 11, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended; Act No. 904 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1960, as amended; a Resolution entitled "A Resolution Providing for the Issuance and Sale of Student and Faculty Housing Revenue Bonds of the University of South Carolina," duly adopted by the Board of Trustees of the University of South Carolina (the "Trustees") on March 29, 1971 (the "Bond Resolution"); and a Supplemental Resolution entitled "A Resolution Supplementing a Resolution Entitled "A Resolution Providing for the Issuance and Sale of Student and Faculty Housing Revenue Bonds of the University of South Carolina," Adopted by the Board of Trustees of the University of South Carolina on the 29th day of March 1971, as Supplemented from time to time, by making Provision for Issuance of Not Exceeding \$800,000 University of South Carolina Student and Faculty Housing Revenue Bonds, to Raise Moneys to Finance the Cost of Acquiring Student Housing Facilities for USC-Coastal Carolina; and Authorizing the Issuance of Bond Anticipation Notes in Anticipation of the Issuance of the Bonds; and other Matters Relating Thereto," duly adopted by the Trustees on _____, 1992, in anticipation of the issuance of student and faculty housing revenue bonds (the "Bonds") to be issued by the University pursuant to the Bond Resolution, and is payable, both as to principal and interest, from the proceeds of the aforesaid Bonds.

[This Note has been issued in fully-registered form, and all principal, interest or other amounts due hereunder shall be payable only to the registered owner hereof.] The principal of and interest on this Note, when due, shall be payable upon presentation and surrender of this Note at the principal office of _____,

03436

in the City of _____, State of _____.
[This Note may be transferred only upon assignment duly executed by the registered owner and validated by the State Treasurer of South Carolina, as paying agent (the "Paying Agent") by both endorsement upon the Note and entry of the assignee's name and address upon the registration records to be maintained by the Paying Agent. So long as any amount remains outstanding hereunder, there may be only one registered owner of this Note at any time. Any purported assignment in contravention of the foregoing requirements shall be, as to the University, absolutely null and void. The person in whose name this Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on this Note shall be made only to or upon the order of the registered owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the University upon this Note to the extent of the sum or sums so paid. No person other than the registered owner shall have any right to receive payments, pursue remedies, enforce obligations or exercise or enjoy any other rights under this Note against the University. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Note as against a person (including the registered owner) other than the University, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in this Note.]

THIS NOTE is a special obligation of the University and there are hereby pledged to the payment of this Note, both principal and interest, when due, the proceeds of the Bonds. The University at its option may also utilize any other funds available therefor for the payment of the principal and interest on this Note. The full faith, credit, and taxing power of State of South Carolina are not pledged for the payment of principal and interest of this Note. The Trustees agree that they will issue no further bond anticipation notes in anticipation of the Bonds unless the same are expressly made junior to this Note.

THIS NOTE shall not be subject to redemption prior to its stated maturity.

THIS NOTE and the interest hereon are exempt from all state, county, municipal, school district, and all other taxes or assessments in the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes. This Note is designated a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(8)(ii) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of

South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form, and manner; the amount of this Note and the issue of which it is a part does not exceed any constitutional or statutory limitation thereon; and that the Trustees have irrevocably obligated themselves to issue and sell, prior to the stated maturity hereof, in the manner prescribed by law, the Bonds in anticipation of which this Note is issued.

IN WITNESS WHEREOF, THE UNIVERSITY OF SOUTH CAROLINA has caused this Note to be executed in its name by the manual or facsimile signature of the Chairman of the Trustees, under the Seal of the University to be impressed hereon, and attested by the manual signature of the Secretary of the Trustees and by the manual signature of the Treasurer and Vice-President for Business and Finance of the University this _____ day of _____, A.D. 1992.

(SEAL)

UNIVERSITY OF SOUTH CAROLINA

By: _____
Chairman
Board of Trustees of the
University of South Carolina

ATTEST:

Secretary, Board of Trustees of
the University of South Carolina

Treasurer and Vice President
for Business and Finance of the
University of South Carolina

NOTICE OF SALE

Re: \$800,000 University of South Carolina, Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992

Sealed bids for the sale by the Board of Trustees (the "Trustees") of the University of South Carolina (the "University") of Eight Hundred Thousand and no/100 (\$800,000) Dollars University of South Carolina Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992 (the "Notes") will be received by the State Treasurer of South Carolina at the offices of the State Treasurer, Wade Hampton Office Building, Columbia, South Carolina, until 11:00 o'clock a.m. (prevailing local time) on _____, 1992, at which time and place they will be publicly opened and read.

The Notes will be issued in bearer form or, at the option of the successful purchaser, in fully registered form; will be dated as of the date of their delivery; will be in denominations of \$50,000 each or any integral multiple thereof as may be designated by the successful purchaser(s) thereof; will be numbered from 1 upward; will be without coupons; will mature as to principal and interest one year from their date of issuance; and will be in typewritten form. Interest on the Notes will be computed on a 360-day year (consisting of twelve 30-day months) basis. The Notes are not subject to redemption prior to their stated maturity.

The State Treasurer shall act as paying agent and registrar for the Notes. Both principal of and interest on the Notes shall be payable at such place as is designated by the successful purchaser and approved by the State Treasurer.

Bidders shall specify a single rate of interest per annum which the Notes are to bear to be expressed as a percentage interest rate of one one-hundredth (1/100th) of a percent. Any sum named by way of premium shall be paid in cash as part of the purchase price. No bid for the purchase of less than all of the Notes or at a price less than par will be considered.

The Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost to the University. Such interest cost will be determined by computing the total dollar interest cost from the date of the Notes to the maturity date and deducting therefrom the amount of the premium offered, if any, over and above the principal amount. For the purpose of calculating the effect of a premium, if any, it will be assumed that the Notes will be dated _____, 1992. In the event two or more bids have the identical lowest net interest cost, the Notes will be awarded jointly to such bidders submitting identical bids. The Trustees reserve the right to reject any and all bids or to waive irregularities on any bid. Bids will be

accepted or rejected not later than 4:00 p.m., South Carolina time, on the day of the sale.

Each proposal shall be enclosed in a sealed envelope marked "Proposal for \$800,000 University of South Carolina, Student and Faculty Housing Revenue Bond Anticipation Notes, Series 1992", and should be directed to the State Treasurer at the address in the first paragraph hereof. No good faith check is required. It is requested, but not required, that bids be submitted on the bid form attached as Exhibit A.

The Notes will be issued pursuant to Article X, Section 13 of the Constitution of the State of South Carolina; Title 11, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended; Act No. 904 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1960, as amended; and a resolution duly adopted by the Trustees. The Notes are issued in anticipation of the issuance of student and faculty housing revenue bonds (the "Bonds"), and are payable, both as to principal and interest, from the proceeds of the Bonds. The full faith, credit and taxing power of the State of South Carolina are not pledged for the payment of the Notes.

Proceeds of the Notes will be used to refinance an apartment complex for student housing at the University's USC - Coastal Carolina campus.

The University will accompany the Notes with the opinion of Haynsworth, Marion, McKay & Guerard, Attorneys and Counselors at Law, Columbia, South Carolina, which will state that the Notes are valid and binding obligations of the University for which there is pledged the proceeds of the Bonds and the revenues derived from the operation of the Facilities. This opinion will also state that assuming compliance by the University with certain covenants and agreements made in the proceedings authorizing the issuance of the Notes, interest on the Notes (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account for the purpose of computing alternative minimum tax imposed on such corporations. Bond Counsel is further of the opinion that the Notes and interest thereon, will be exempt from all state, county, municipal, school district and all other taxes or assessments of the State of South Carolina, except inheritance, estate or transfer taxes and that the Notes are designated "qualified tax-exempt obligations" eligible for deduction of certain carrying costs by certain financial institutions. The above legal opinion shall be furnished without expense to the purchaser.

Appropriate certifications will be given to establish that the Notes are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations issued thereunder as in effect on the occasion of the delivery of the Notes and that no litigation is pending affecting the Notes.

The Trustees covenant that they will issue no additional bond anticipation notes in anticipation of the Bonds unless such notes are expressly junior to the Notes offered hereby.

The Notes will be delivered _____, 1992, or as soon thereafter as possible, at the offices of the State Treasurer in Columbia, South Carolina, at the expense of the University. The Notes may be delivered in Atlanta, Georgia; Charlotte, North Carolina; or New York, New York as requested by the successful purchaser at the expense of the purchaser. The purchase price then due must be paid in Federal funds or other immediately available funds.

The University has authorized the preparation of an Official Statement containing pertinent information relative to the Notes, and the Official Statement will serve as a nearly-final Official Statement as required by Rule 15c2-12 of the Securities and Exchange Commission. Copies of the Official Statement and additional information concerning the Notes may be obtained by contacting R. W. Denton or John Campbell, _____, Columbia, South Carolina at (803) 777-7478.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity date and interest rate of the Notes, together with any other information required by law, shall constitute a "Final Official Statement" of the University with respect to the Notes, as that term is defined in Rule 15c2-12. By awarding the Notes to any underwriter or underwriting syndicate submitting a bid therefor, the University agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Notes are awarded 50 copies of the Official Statement and the addendum or addenda described above. The University shall designate the senior managing underwriter of the syndicate to which the Notes are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering a bid with respect to the Notes agrees thereby that if its bid is accepted by the University (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Notes for purposes of assuring the receipt by each such Participating Underwriter of the Official Statement.

Grady L. Patterson, Jr.
State Treasurer of South Carolina

3

EXHIBIT

NOV 10 1992

20

STATE BUDGET & CONTROL BOARD

03441

EXHIBIT

NOV 10 1992

21

STATE BUDGET AND CONTROL BOARD
MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER 6

AGENCY: Spartanburg County

SUBJECT: Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation)

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law. An allocation of a portion of the Ceiling is requested.

Issuing Authority:	Spartanburg County
Amount of Issue:	\$8,000,000 Solid Waste Disposal Facilities Revenue Bonds
Allocation Amount:	\$8,000,000
Name of Project:	Hoechst Celanese Corporation
Employment Impact:	approximately 45 additional people
Project Description:	solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto

BOARD ACTION REQUESTED:

Adopt a resolution approving the Spartanburg County proposal to issue \$8,000,000 solid waste disposal facilities revenue bonds on behalf of the Hoechst Celanese Corporation project, and allocate \$8,000,000 for this project.

ATTACHMENTS:

Resolution

03442

OCT 27 1992

10:20 am

TRANSMITTAL FORM, REVENUE BONDS

Date: October 26, 1992

Submitted for BCB Meeting on:

November 10, 1992

TO: Donna K. Williams, Secretary

State Budget and Control Board

600 Wade Hampton Office Building

Columbia, SC 29201

OR P. O. Box 12444, Columbia, SC 29211

FROM:

McNair Law Firm, P.A.

Name of Law Firm

Charleston, SC 29402

City, State, Zip Code

140 East Bay Street, P.O. Box 1431

Street Address/Box Number

(803) 723-7831

Telephone Area Code and Number

RE: \$8,000,000

Amount of Issue

Spartanburg County, South Carolina

Issuing Authority Name

Solid Waste Disposal Facilities Revenue Bonds

Type of Bonds or Notes

December 17, 1992

Projected Issue Date

Project Name: Hoechst Celanese Corporation Project

Project Description: Acquisition by construction and purchase of certain solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto

Employment as result of project: additional employment of approximately 45 people

CEILING ALLOCATION REQUIRED

X Yes (\$8,000,000) No

Amount

REFUNDING INVOLVED

 Yes () X No

Amount

PROJECT APPROVED PREVIOUSLY

 Yes () X No

Date

DOCUMENTS ENCLOSED (executed original and three copies of each):

(ALL required for State law approval; A and C only for ceiling allocation only.)

A. X Petition

B. X Resolution or ordinance

C. ** Inducement Resolution or comparable preliminary approval ^{**included in item B resolution}

D. Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser:)

OR X Audited financial statements for three most recent years

E. N/A Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 10 copies for certification and return to counsel]

G. X Processing fee

Amount \$3,000

Check No. 000939

Payor Hoechst Celanese Corporation

H. X Draft bond counsel opinion letter

Bond Counsel: M. William Youngblood

Typed Name of Counsel

By: M. Wm. Youngblood

Signature

EXHIBIT

5/91

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

03443

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

Hoechst Celanese Corporation

I, DONNA K. WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable John Drummond, Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10:00 a.m. on Tuesday, November 10, 1992, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 3:00 p.m. on Friday, November 6, 1992.

That all members of the Board were present at the meeting except Mr. Patterson.

That, at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Morris, who moved its adoption; the motion was seconded by Senator Drummond, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

4

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

November 20, 1992

Donna K. Williams

03444

A RESOLUTION APPROVING THE ISSUANCE BY SPARTANBURG COUNTY, SOUTH CAROLINA, OF CERTAIN SOLID WASTE DISPOSAL FACILITIES REVENUE BONDS (HOECHST CELANESE CORPORATION PROJECT) SERIES 1992, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Spartanburg County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Spartanburg County (the "County") pursuant to the Act of its Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of acquisition by construction and purchase of certain solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto (the "Project") required in connection with the Corporation's major expansion in the County; and

WHEREAS, the Project is to be made available to Hoechst Celanese Corporation (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Bonds and which secure the obligation of the Corporation by a trust indenture; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the payment obligations of the Corporation related to the Project; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on October 14, 1992, requesting, an allocation of \$8,000,000 of the State Ceiling;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made such independent investigation of the matters set forth in the Petition as it deems advisable, and on the basis of such investigation it is hereby found, determined and declared:

(a) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

03445

(b) The Project which is the subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in one or more series in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Agreement be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Agreement and the Indenture and the description of the Project contained in the petitions filed with this Board.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the Herald-Journal, which is a newspaper having general circulation in Spartanburg County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution approves the issuance of a series of the Bonds in the amount of \$8,000,000.

Section 6. This Resolution shall take effect immediately.

03446

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Spartanburg County, South Carolina, has given its approval to the following undertaking by Spartanburg County, South Carolina:

The issuance by Spartanburg County of its Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) in the original principal amount not exceeding \$8,000,000 (the "Bonds"), to defray the costs of acquisition, construction and installation thereon of certain buildings, facilities, machinery, equipment and furnishings by Hoechst Celanese Corporation, a corporation organized and existing under the laws of the State of Delaware, to be used for the purpose of solid waste recycling and disposal in connection with a major expansion by Hoechst Celanese Corporation (the "Project") to be located in Spartanburg County. The Project will be made available to Hoechst Celanese Corporation which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by Hoechst Celanese Corporation for the use of the Project, and will be additionally secured by a trust indenture for the benefit of the holders of the Bonds.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Spartanburg County to finance the same, by action de novo instituted in the Circuit Court for Spartanburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: DONNA WILLIAMS, Secretary

Dated: November 10, 1992

03447

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

RICHARD W. KELLY
DIVISION DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

November 4, 1992

EXHIBIT

NOV 10 1992 21

STATE BUDGET & CONTROL BOARD

The Honorable Donna K. Williams
Secretary
601 Wade Hampton Office Building
Columbia, South Carolina 29201

RE: Spartanburg County - Hoechst Celanese Corporation
Solid Waste Disposal Facilities
Revenue Bonds

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal Form with the enclosed Petition of County Council to the Budget and Control Board, Resolution Authorizing the Petition to the State Board, and drafts of the Resolution of the Budget and Control Board approving Issuance, Public Notice, and Opinion of bond counsel.

Upon review, these documents have been submitted by bond counsel, McNair Law Firm, P.A. and appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

Wayne F. Rush
Wayne F. Rush
General Counsel

03448

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

November 4, 1992

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

Ms. Donna K. Williams
Assistant Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: Spartanburg County
\$8,000,000 Solid Waste Disposal Facilities Revenue Bonds
Hoechst Celanese Corporation Project

Dear Ms. Williams:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., South Carolina Code of Laws, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. The Petition at paragraph 5 (vi) does represent that

the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Bonds proposed to be issued to defray the cost of the Project.

03449

Ms. Donna K. Williams
November 4, 1992
Page 2

However, it should be noted that the information required by the code as to the specific amount, is not included in the information submitted to this Office.

This letter addresses only the fact that the documents, other than the exception noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

BY:



TGA:bvc

03450

State of South Carolina



EXHIBIT

NOV 10 1992

21

Office of the State Auditor

STATE BUDGET & CONTROL BOARD

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

P.O. BOX 11333
COLUMBIA, S.C. 29211
(803) 253-4160
FAX: (803) 343-0723

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

November 4, 1992

Mrs. Donna K. Williams, Secretary
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Solid Waste Disposal Facilities Revenue Bonds - Spartanburg County -
\$8,000,000 (Hoechst Celanese Corporation Project)

Dear Mrs. Williams:

The proposed bond issue is to provide funds to defray the cost of acquiring by construction and purchase certain solid waste recycling and disposal facilities required in connection with a major expansion of the Corporation's existing manufacturing facilities in the County.

Both the resolution and the Petition to the State Budget and Control Board, both approved and signed by County Council of Spartanburg on October 14, 1992, state that the County Council has determined that the Corporation has established credit and, therefore, the establishment of reserve funds for retirement of the bonds and maintenance of the Project is deemed unnecessary. Exhibit A to the Petition states that the estimated cost of this Project and the major expansion is \$50 million.

We reviewed the Corporation's Annual Reports for 1991 and 1990 which included Hoechst Celanese Corporation's consolidated financial statements for the fiscal years ended December 31, 1989 through 1991, and the independent auditor's reports thereon. The auditors KPMG Peat Marwick, Short Hills, New Jersey, issued unqualified opinions on the aforementioned consolidated financial statements for each of the three years.

The following is selected financial data from the consolidated financial statements:

	(In millions)			
	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
Net sales	\$6,794	\$5,881	\$6,016	\$5,679
Operating income	473	405	502	550
Net earnings	172	201	267	250
Total assets	6,630	6,082	6,062	5,708
Long-term debt	752	741	803	814
Retained earnings	735	653	552	400
Dividend to parent declared	90	100	115	195
Capital expenditures	498	381	382	378

03451

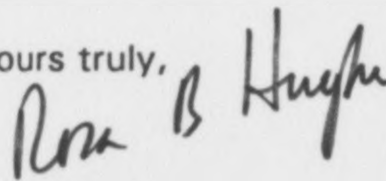
Mrs. Donna K. Williams
November 4, 1992
Page Two

Notes to the 1991 consolidated financial statements include the following information:

- (1) Hoechst Celanese Corporation is wholly owned by Hoechst Corporation, a holding company, which itself is a wholly owned subsidiary of Hoechst AG.
- (2) Research and development costs were \$261 million in 1991, \$237 million in 1990, and \$221 million in 1989.
- (3) The Corporation has a \$200 million revolving credit agreement with its parent company and has agreed to pay interest in an amount equal to the parent's cost of borrowing plus 1/4 of 1%. Under this agreement, the Corporation borrowed and repaid \$139 million, \$-0-, and \$262 million in 1991, 1990, and 1989, respectively. There were no outstanding balances at any of the three year-ends.
- (4) Long-term debt includes obligations under capital leases with the parent company of \$67 million, \$58 million, and \$58 million at December 31, 1991, 1990, and 1989, respectively.
- (5) The Corporation intends to continue its current policy to pay dividends to its parent at the discretion of the Corporation's Board of Directors. These dividends will be used by the parent to service debt pertaining to the acquisition of Celanese.
- (6) In 1989, the Corporation completed a \$170 million industrial revenue bond offering in Spartanburg County, South Carolina. Concurrent with the bond offering, the Corporation entered into an agreement with Spartanburg County whereby certain of the Corporation's assets were sold to the county and leased back by the Corporation. A legal right of offset permits the Corporation to offset its lease obligations against the bond principal and interest payments arising from the transaction. For accounting purposes, the accounts arising from the transaction are also offset.
- (7) The 1991 Annual Report includes Management's Discussion and Analysis of Financial Condition and Results of Operations. Therein management states that capital expenditures are projected to increase to approximately \$650 million in 1992 and it expects that capital expenditures, investments, and working capital requirements will continue to be met primarily from internally generated funds from operations but may periodically supplement its liquidity from external sources. Such sources include its medium-term note shelf registration, its \$250 million commercial paper program, or loans from its parent company or Hoechst AG and affiliates.

Based on our review of the aforementioned consolidated financial statements, the Corporation's operating results have declined over the past three years but its financial position, results of operations, and cash flows appear adequate to support the proposed and existing debt. Accordingly, we see no reason to disapprove the proposed bond issue.

Yours truly,



Rosa B. Hughes, CPA
Audit Manager

03452

STATE OF SOUTH CAROLINA)
)
SPARTANBURG COUNTY)

EXHIBIT

NOV 10 1992 21

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

This Petition of Spartanburg County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Spartanburg County (the "County Council") is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. By Resolution adopted October 14, 1992, the County agreed to assist Hoechst Celanese Corporation, a corporation organized and existing under the laws of the State of Delaware and qualified to do business as a corporation in South Carolina (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain solid waste recycling and disposal facilities located in the County (the "Project") required in connection with a major expansion of the Corporation's existing manufacturing facilities in the County, more fully described in Exhibit A to the Agreement and Indenture hereinafter referred to.

4. The County has been advised by the Corporation that the estimated cost of the Project will be \$8,000,000 and it has requested the County to execute and deliver its Solid Waste

Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) (the "Bonds") in a principal amount not exceeding \$8,000,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Bonds required to finance the Project will be an amount not exceeding \$8,000,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Bonds proposed to be issued to defray the cost of the Project.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibit A to the Agreement and the Indenture, consists of solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto. It is anticipated that, upon completion, the Project and the expanded manufacturing facilities will provide directly 45 additional full-time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be \$8,000,000.

(c) Copies of the Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Agreement between the Corporation and the County provides in general:

(A) Proceeds derived from the sale of the Bonds, will be used and applied by the County upon

request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Agreement; to meet the payments of principal and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The Trustee acquires, for the benefit of the Bondholders, a certain trust estate under the granting clauses of the Indenture.

(ii) The proposed Indenture between the County and a trustee bank to be named, as trustee, (the "Trustee").

(A) An irrevocable pledge and assignment to the Trustee for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Agreement and all payments, receipts and revenues which the County has a right to receive under the Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

7. Neither the approvals granted in connection with the Bonds nor the request for an allocation granted by the State Budget

and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

8. This petition constitutes the County's "authorized request" (as such term is used in Section 1-11-530(A), Code of Laws of South Carolina, 1976, as amended) that a specific amount of the State Ceiling (as such term is used in Section 146(d) of the Internal Revenue Code of 1986, as amended) be allocated to the Bonds. The County certifies that the allocation, and the amount thereof, constitutes all of the private activity bond financing contemplated for the Project during calendar year 1992.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the Bonds such portion of the state ceiling as established by the Tax Reform Act of 1986 and the Internal Revenue Code of 1986, as amended, as is necessary for the issuance of the Bonds, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

By: Robert H. Windham, Jr.
County Administrator of Spartanburg
County, South Carolina

ATTEST:

Carol P. Davis
Clerk, County Council of Spartanburg
County, South Carolina

Dated: October 14, 1992

EXHIBIT A

Hoechst Celanese Corporation

Spartanburg Plant

Project Description

The Project includes additions and improvements to the Company's facilities for the collection, processing, storing, treatment, disposal or recycling of various solid wastes produced at or transported to the Company's Spartanburg Plant. In general, the wastes to be processed or handled in these facilities include, but are not limited to, plant trash, waste water treatment solids, waste fibers and other waste plastics and solid waste. In addition, waste to be processed at the facilities includes post consumer waste plastic bottles.

The facilities to be financed as part of the Project include facilities for the collection, processing, storage, treatment or disposal of waste solids generated in the Plant's processes, facilities for recycling production waste, and facilities for recycling waste plastics, including the waste plastic bottle recycling facilities.

The Project also includes upgrades and additions to the Plant's existing sewage treatment facilities, which collect, store and treat industrial sewage from the Plant.

The cost of these facilities is currently estimated to be approximately \$50 million.

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY SPARTANBURG COUNTY, SOUTH CAROLINA, OF ITS SOLID WASTE DISPOSAL FACILITIES REVENUE BONDS (HOECHST CELANESE CORPORATION PROJECT) SERIES 1992, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,000,000 AND REQUESTING THAT A PORTION OF THE STATE CEILING ESTABLISHED BY SECTION 146 OF THE INTERNAL REVENUE CODE OF 1986 BE ALLOCATED TO SUCH BONDS.

WHEREAS, Spartanburg County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable by the County solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, Hoechst Celanese Corporation, a Delaware corporation (the "Corporation"), has requested that the County take some "official action" with respect to the Project and the Bonds (hereinafter defined); and

WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof the County proposes to issue its Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) Series 1992 in a principal amount not exceeding \$8,000,000 (the "Bonds") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto (the "Project") required in connection with the Corporation's major expansion in the County and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project

03458

available to the Corporation under and pursuant to the terms of a financing agreement (the "Agreement") to be entered into between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval by the State Budget and Control Board of the proposed financing;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Spartanburg County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$8,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 45 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project, the Bonds proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Bonds by the County in the principal amount of not exceeding \$8,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at

its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the items described in Exhibit A to the Agreement and the Indenture to be entered into between the County and a trustee bank to be named (the "Trustee").

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is \$8,000,000.

(i) Neither the approvals granted in connection with the Bonds nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The County Administrator be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to attest the same and thereafter to submit an executed copy of this resolution to the State Budget and Control Board in Columbia, South Carolina.

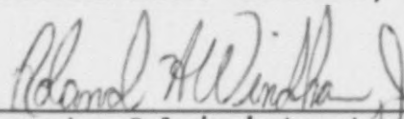
Section 4. This resolution shall constitute an "official action" of the County within the meaning of the Internal Revenue Code of 1986, as amended, and Regulations Section 1.103-8(a)(5) promulgated thereunder authorizing the issuance of tax-exempt revenue bonds in an amount not exceeding \$50,000,000 for the facilities described in the attached Exhibit A which is incorporated herein by reference. The Project constitutes the first portion of such facilities. The official action taken by this resolution is intended to be in addition to and not in limitation of any prior official action taken by the County Council on behalf of the Corporation or on behalf of any predecessor corporation.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby

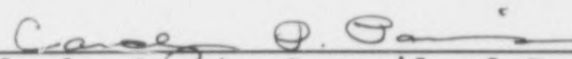
repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved October 14, 1992.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: 
County Administrator of Spartanburg
County, South Carolina

ATTEST:


Clerk, County Council of Spartanburg
County, South Carolina

EXHIBIT

NOV 10 1992 21
STATE BUDGET & CONTROL BOARD

EXHIBIT

STATE OF SOUTH CAROLINA)
)
SPARTANBURG COUNTY)

NOV 10 1992 21
STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
)

P E T I T I O N

This Petition of Spartanburg County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Spartanburg County (the "County Council") is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. By Resolution adopted October 14, 1992, the County agreed to assist Hoechst Celanese Corporation, a corporation organized and existing under the laws of the State of Delaware and qualified to do business as a corporation in South Carolina (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain solid waste recycling and disposal facilities located in the County (the "Project") required in connection with a major expansion of the Corporation's existing manufacturing facilities in the County, more fully described in Exhibit A to the Agreement and Indenture hereinafter referred to.

4. The County has been advised by the Corporation that the estimated cost of the Project will be \$8,000,000 and it has requested the County to execute and deliver its Solid Waste

Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) (the "Bonds") in a principal amount not exceeding \$8,000,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Bonds required to finance the Project will be an amount not exceeding \$8,000,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Bonds proposed to be issued to defray the cost of the Project.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibit A to the Agreement and the Indenture, consists of solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto. It is anticipated that, upon completion, the Project and the expanded manufacturing facilities will provide directly 45 additional full-time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be \$8,000,000.

(c) Copies of the Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Agreement between the Corporation and the County provides in general:

(A) Proceeds derived from the sale of the Bonds, will be used and applied by the County upon

request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Agreement; to meet the payments of principal and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The Trustee acquires, for the benefit of the Bondholders, a certain trust estate under the granting clauses of the Indenture.

(ii) The proposed Indenture between the County and a trustee bank to be named, as trustee, (the "Trustee").

(A) An irrevocable pledge and assignment to the Trustee for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Agreement and all payments, receipts and revenues which the County has a right to receive under the Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

7. Neither the approvals granted in connection with the Bonds nor the request for an allocation granted by the State Budget

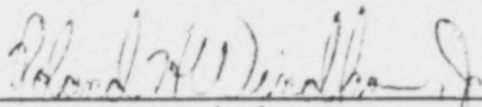
and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

8. This petition constitutes the County's "authorized request" (as such term is used in Section 1-11-530(A), Code of Laws of South Carolina, 1976, as amended) that a specific amount of the State Ceiling (as such term is used in Section 146(d) of the Internal Revenue Code of 1986, as amended) be allocated to the Bonds. The County certifies that the allocation, and the amount thereof, constitutes all of the private activity bond financing contemplated for the Project during calendar year 1992.

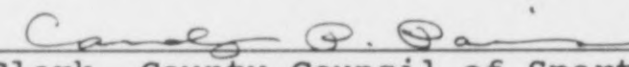
Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the Bonds such portion of the state ceiling as established by the Tax Reform Act of 1986 and the Internal Revenue Code of 1986, as amended, as is necessary for the issuance of the Bonds, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

By: 
County Administrator of Spartanburg
County, South Carolina

ATTEST:


Clerk, County Council of Spartanburg
County, South Carolina

Dated: October 14, 1992

EXHIBIT A

Hoechst Celanese Corporation

Spartanburg Plant

Project Description

The Project includes additions and improvements to the Company's facilities for the collection, processing, storing, treatment, disposal or recycling of various solid wastes produced at or transported to the Company's Spartanburg Plant. In general, the wastes to be processed or handled in these facilities include, but are not limited to, plant trash, waste water treatment solids, waste fibers and other waste plastics and solid waste. In addition, waste to be processed at the facilities includes post consumer waste plastic bottles.

The facilities to be financed as part of the Project include facilities for the collection, processing, storage, treatment or disposal of waste solids generated in the Plant's processes, facilities for recycling production waste, and facilities for recycling waste plastics, including the waste plastic bottle recycling facilities.

The Project also includes upgrades and additions to the Plant's existing sewage treatment facilities, which collect, store and treat industrial sewage from the Plant.

The cost of these facilities is currently estimated to be approximately \$50 million.

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

_____, 1992

County Council of Spartanburg County
Columbia, South Carolina

Re: \$8,000,000 Spartanburg County, South Carolina, Solid Waste
Disposal Facilities Revenue Bonds (Hoechst Celanese
Corporation Project) Series 1992

Gentlemen:

We have acted as bond counsel in connection with the issuance by Spartanburg County, South Carolina (the "Issuer"), of \$8,000,000 principal amount Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) Series 1992 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Bonds are issued and secured under a Trust Indenture dated as of December 1, 1992 (the "Indenture"), by and between the Issuer and _____, as Trustee (the "Trustee"). The Issuer and Hoechst Celanese Corporation, a Delaware corporation (the "Company"), have entered into a financing agreement dated as of December 1, 1992 (the "Agreement"), pursuant to the terms of which the Company has agreed to make rental payments sufficient to pay when due the principal of, premium (if any) and interest on the Bonds, and such payments and other revenues under the Agreement and the rights of the Issuer under the Agreement (except certain rights to indemnification and reimbursements) are pledged and assigned by the Issuer as security for the Bonds.

In order to ensure that certain federal tax law requirements are and will continue to be met, the Issuer and the Company have entered into a Tax Regulatory Agreement dated as of December 1, 1992 (the "Tax Regulatory Agreement").

The Bonds are being issued to provide funds to defray the costs of acquiring by construction and purchase certain solid waste recycling and disposal facilities and facilities functionally related and subordinate thereto (the "Project") in connection with

03467

the Company's major expansion in Spartanburg County, South Carolina.

The Bonds are issued initially under a book-entry only system, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company.

Reference is made to an opinion of even date of _____, counsel to the Company, with respect, among other matters, to the corporate status, good standing and qualifications to do business of the Company, the corporate power of the Company to enter into and perform the Agreement and the Tax Regulatory Agreement and the authorization, execution and delivery of the Agreement and the Tax Regulatory Agreement by the Company.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Company contained in the Agreement and the Tax Regulatory Agreement described above, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by or on behalf of the Company (including certifications as to the use of Bond proceeds) without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law, regulations and court decisions as enacted and construed to the date hereof:

1. The Issuer is duly created and validly existing as a body corporate and politic and public instrumentality of the State of South Carolina with the corporate power to enter into and perform its obligations under the Agreement and the Indenture and to issue the Bonds.

2. The Agreement, the Tax Regulatory Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable upon the Issuer. Assuming due authorization, execution and delivery, the Agreement and the Tax Regulatory Agreement are valid and binding obligations of the Company, enforceable upon the Company. The Indenture creates a valid lien on the Trust Estate (as defined in the Indenture) and on the rights of the Issuer under the Agreement (except certain rights to indemnification and reimbursements).

3. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from, and secured solely by, a pledge of revenues and other income derived by the Issuer under the Agreement; the Bonds do not constitute or create a general obligation, debt, liability or moral obligation of the Issuer, the State or any political subdivision of the State within the meaning of any constitutional or statutory provision whatsoever, and neither the faith and credit nor the taxing power

of the Issuer, the State or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

4. The interest on the Bonds (including any original issue discount properly allocable to a registered owner thereof) is excluded from gross income for federal income tax purposes, except for any period during which a Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). It should be noted, however, that the Bonds are "specified private activity bonds" within the meaning of the alternative minimum tax provisions of the Code. Accordingly, interest on the Bonds is a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Company comply with all requirements of the Code including, without limitation, the obligation to rebate certain earnings on investments of proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Company have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the interest on the Bonds is exempt from present State of South Carolina income taxes.

6. The Bonds are exempt from registration under the Securities Act of 1933 and the Indenture is exempt from qualification under the Trust Indenture Act of 1939.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have been retained solely for the purpose of examining into the validity and legality of the Bonds and of rendering certain specific opinions hereinbefore stated and for no other purpose. We have not verified the accuracy, completeness or fairness of any representations or information concerning the financial condition of the Company or any other party made, prepared or issued by any party, or on behalf of any party, in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representations or information.

Very truly yours,

McNAIR LAW FIRM, P.A.

By: _____
M. William Youngblood

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

03470

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER P. CARTER
EXECUTIVE DIRECTOR

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

October 27, 1992

EXHIBIT

NOV 10 1992 21

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Treva Ashworth, Wayne Rush, and Rosa Hughes
FROM: Donna K. Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the November 10 Budget and Control Board agenda:

Spartanburg County
\$8,000,000 Solid Waste Disposal Facilities Revenue Bonds
Hoechst Celanese Corporation project

For this proposal to be included on the November 10 agenda, I must have the written results of your review before 12 noon on Wednesday, November 4, 1992.

DKW/laf
Enclosure

03471

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

October 27, 1992

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

EXHIBIT

NOV 10 1992 21

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Treva Ashworth, Wayne Rush, and Rosa Hughes
FROM: Donna K. Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the November 10 Budget and Control Board agenda:

Spartanburg County
\$8,000,000 Solid Waste Disposal Facilities Revenue Bonds
Hoechst Celanese Corporation project

For this proposal to be included on the November 10 agenda, I must have the written results of your review before 12 noon on Wednesday, November 4, 1992.

DKW/laf
Enclosure

03472

FAX (803) 734-2117

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

Check is void if colored background is absent.

Hoechst Celanese

Hoechst Celanese Corporation

Check no.

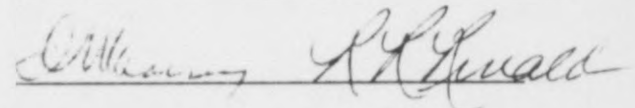
000833

Hoechst 

October 23 19 92

PAY Three thousand and 00/100 DOLLARS \$ 3,000.00

TO THE ORDER OF
The State of South Carolina
PO Box 12444
Columbia, SC 29211-2444



Citibank (Delaware)
1 Penn's Way
New Castle, DE 19720

The Hoechst name and logo are registered trademarks of Hoechst AG.

⑆00000939⑆ ⑆031100209⑆ 38696146⑆

Hoechst Celanese Corporation
P.O. Box 2700 Somerville, NJ 08876-1261

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

No.

10-23-92 State of South Carolina \$3,000.00

Administrative processing fee for Spartanburg Bond

03473

Citibank (Delaware)
1 Penn's Way
New Castle, DE 19720

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

November 10, 1992

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER P. CARTER
EXECUTIVE DIRECTOR

C E R T I F I C A T E
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS
(UNDER TAX REFORM ACT OF 1986)
TENTATIVE ALLOCATION, CALENDAR YEAR 1992

TO: Spartanburg County
\$8,000,000
Solid Waste Disposal Facilities Revenue Bonds
(Hoechst Celanese Corporation project)

In accord with Section 1-11-500 et seq. of the South Carolina Code of Laws, 1976, as amended, the State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1992 only. It will expire on December 31, 1992, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Code Section 1-11-550 requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

Donna K. Williams
Secretary to the Board

EXHIBIT

NOV 10 1992

21

STATE BUDGET & CONTROL BOARD

McNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

140 EAST BAY STREET
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS:
POST OFFICE BOX 1431
CHARLESTON, SOUTH CAROLINA 29402
TELEPHONE 803/723-7831
FACSIMILE 803/722-3227

COLUMBIA OFFICE
NATIONSBANK TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SC 29211
TELEPHONE 803/799-9800
FACSIMILE 803/799-9804

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, SC 29442
TELEPHONE 803/546-6102
FACSIMILE 803/546-0096

GREENVILLE OFFICE
NATIONSBANK PLAZA
SUITE 601
7 NORTH LAURENS STREET
GREENVILLE, SC 29601
TELEPHONE 803/271-4940
FACSIMILE 803/271-4015

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, SC 29938
TELEPHONE 803/785-5169
FACSIMILE 803/785-3029

RALEIGH OFFICE
RALEIGH FEDERAL BUILDING
ONE EXCHANGE PLAZA
SUITE 810
POST OFFICE BOX 2447
RALEIGH, NC 27602
TELEPHONE 919/890-4190
FACSIMILE 919/890-4180

WASHINGTON OFFICE
MADISON OFFICE BUILDING
SUITE 400
1155 FIFTEENTH STREET, NORTHWEST
WASHINGTON, DC 20005
TELEPHONE 202/659-3900
FACSIMILE 202/659-5763

November 19, 1992

Ms. Donna K. Williams
S.C. State Budget and Control Board
P.O. Box 12444
Columbia, SC 29211-2444

Re: \$8,000,000 Spartanburg County, South Carolina, Solid Waste
Disposal Facilities Revenue Bonds (Hoechst Celanese
Corporation Project) Series 1992

Dear Donna:

Enclosed is a copy of the affidavit of publication of State Budget
and Control Board approval for the captioned issue.

If you should need anything further, please do not hesitate to give
me a call.

Very truly yours,

Beth Sorrow
Elizabeth B. Sorrow
Legal Assistant

Enclosure

03475

SPARTANBURG
Herald-Journal

189 West Main St., Spartanburg, S.C. 29301

**STATE OF SOUTH CAROLINA
COUNTY OF SPARTANBURG**

Personally appeared before me, a notary public in and for the State and County aforesaid, Kathleen Shepard, who having been duly sworn according to law, deposes and says that he is the Legal Advertising Clerk of The Spartanburg Herald-Journal, a newspaper published at Spartanburg, South Carolina, and that the attached advertisement was published in the Spartanburg Herald-Journal one time a week for one times in the following issues.

November 13, 1992

Kathleen Shepard

Sworn to and subscribed before me this

16th day of November 1992

Linda P. Deaton
Notary Public for South Carolina

MY COMMISSION EXPIRES 3-17-1993

NOTICE PURSUANT
TO THE PROVISIONS
OF SOUTH CAROLINA
CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County of Spartanburg County, South Carolina, has given its approval to the following undertaking by Spartanburg County, South Carolina:

The issuance by Spartanburg County of its Solid Waste Disposal Facilities Revenue Bonds (Hoechst Celanese Corporation Project) in the original principal amount not exceeding \$8,000,000 (the "Bonds"), to defray the costs of acquisition, construction and installation thereon of certain buildings, facilities, machinery, equipment and furnishings by Hoechst Celanese Corporation, a corporation organized and existing under the laws of the State of Delaware, to be used for the purpose of solid waste recycling and disposal in connection with a major expansion by Hoechst Celanese Corporation (the "Project") to be located in Spartanburg County. The Project will be made available to Hoechst Celanese Corporation which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by Hoechst Celanese Corporation for the use of the Project, and will be additionally secured by a trust indenture for the benefit of the holders of the Bonds.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Spartanburg County to finance the same, by action de novo instituted in the Circuit Court for Spartanburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD
BY: DONNA WILLIAMS,
Secretary
Dated: November 10, 1992
(6519) 11/92

03476

HUTCHESON & WARREN

ATTORNEYS AT LAW

SUITE 340

171 CHURCH STREET

P O BOX 1254

CHARLESTON, S.C. 29402

(803) 577-0660

FACSIMILE

(803) 577-6843

(803) 722-0865

JOHN H. WARREN, III
THOMAS A. HUTCHESON
MARK S. SHARPE
MICHAEL D. BRYAN
ELIZABETH W. SETTLE
STANLEY H. MCGUFFIN

COLUMBIA OFFICE
1901 MAIN STREET, SUITE 1590
P.O. BOX 8
COLUMBIA, S.C. 29202
(803) 799-0660
FACSIMILE
(803) 799-9102

November 19, 1992

Ms. Donna K. Williams, Secretary
South Carolina State
Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Donna:

On Tuesday, December 1, Michael Bryan and I will be joining the law firm of Nelson, Mullins, Riley & Scarborough. You will be receiving a formal announcement, including addresses and telephone numbers, in the near future. Until then, communications with us may be directed as follows:

Street Address

Nelson, Mullins, Riley & Scarborough
151 Meeting Street, Suite 500
Charleston, South Carolina 29401

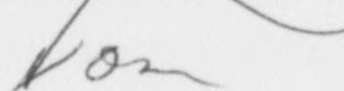
Mailing Address

Post Office Box 1806
Charleston, South Carolina 29402

(803) 853-5200, telephone number
(803) 722-8700, facsimile number

If you have any questions concerning this matter, please do not hesitate to give me a call. I look forward to our continued work together in the future.

Yours very truly,



Thomas A. Hutcheson

TAH/ds

03477

EXHIBIT

NOV 10 1992

22

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 7

AGENCY: State Education Assistance Authority

SUBJECT: Ceiling Allocation

The State Education Assistance Authority requests that the Budget and Control Board allocate any remaining 1992 state ceiling to the Authority and file a carryforward election with the Internal Revenue Service in connection with such allocation.

As of November 4, the ceiling amount available for allocation was \$35,600,000. After the \$8,000,000 allocation for the Hoechst Celanese Corporation project, the balance available will be \$27,600,000.

BOARD ACTION REQUESTED:

Allocate any remaining 1992 state ceiling to the State Education Assistance Authority and agree to file a carryforward election with the Internal Revenue Service in connection with such allocation.

ATTACHMENTS:

Ceiling allocation status report; Petition

03478

1992 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

A.	State Government Pool (40%)	\$ 71,200,000
	Total, State Government Pool (40%)	<u>71,200,000</u>
B.	Local Pool (60%)	<u>106,800,000</u>
	Total, Local Pool (60%)	<u>106,800,000</u>
	Certified State Ceiling (01/07/92)	<u>\$178,000,000</u>

1992 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

Date of Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue	Issue Date	Attorney
01/07/92	STATE GOVERNMENT POOL		\$ 71,200,000					
02/11/92	JEDA	Helima Helvetion Int'l		-7,000,000		7,000,000	03/31/92	McKinney
02/11/92	SEAA	Student Loans		-49,000,000		* 49,000,000	06/05/92	Youngblood
05/12/92	JEDA	Hosiery Corp of America		-1,400,000		1,400,000	06/30/92	Lucas
05/12/92	JEDA	Peace Textile America		-3,000,000		3,000,000	06/23/92	Musser
06/09/92	JEDA	ADO Corporation		-2,000,000		2,000,000	06/23/92	McKinney
	Total, State Government Pool		71,200,000	-62,400,000	8,800,000	62,400,000		
=====								
01/07/92	LOCAL POOL		\$ 106,800,000					
02/11/92	Calhoun County	Carolina Eastman		-17,000,000		17,000,000	05/28/92	Youngblood
03/10/92	Richland County	Union Camp		-39,000,000		39,000,000	06/08/92	Youngblood
05/12/92	Spartanburg County	Prym-Dritz		-3,500,000		3,500,000	06/23/92	Applegate
06/09/92	Greenville County	Quality Thermoforming		-1,500,000		1,500,000	06/23/92	McKinney
06/09/92	Spartanburg County	Prym-Dritz Corporation		-1,000,000		1,000,000	06/23/92	Applegate
09/15/92	PMPA	Electric Revenue Bonds		-18,000,000				Corley
	Total, Local Pool		106,800,000	-80,000,000	26,800,000	62,000,000		
=====								
	GRAND TOTAL		\$ 178,000,000	-142,400,000	35,600,000	124,400,000		
=====								

* \$49,000,000 1992 allocation; \$13,280,000 1991 carryforward.

03479

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

EXHIBIT

NOV 10 1992

22

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

P E T I T I O N

The Petition of the South Carolina State Education Assistance Authority, (the "Authority") respectfully shows:

1. The Authority is authorized by the provisions of Title 59, Chapter 115, Code of Laws of South Carolina, 1976, as amended (the "Act"), to issue student loan revenue obligations for the purposes and on the terms and conditions provided in the Act.

2. The Authority will seek to issue during calendar year 1993 not exceeding \$100,000,000 of student loan revenue bonds (the "Bonds") requiring an allocation, as hereinafter described, in order to provide permanent financing of student loans made from the proceeds of short term lines of credit established by certain commercial banks expected to be outstanding in the approximate amount of \$160,000,000 prior to the issuance of such Bonds.

3. The Bonds will be "private activity bonds" within the meaning of such term in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), which imposes a "volume cap" on private activity bonds by way of a "State Ceiling" (as such term is used in Section 146(d) of the Code) applicable to each state.

4. The Authority is an "issuing authority" as such term is used in South Carolina Code Section 1-11-500, et seq. (the "Act"), which proclaims the plan for allocating the State Ceiling on the issuance of tax-exempt private activity bonds in South Carolina, and devolves upon the State Budget and Control Board of South Carolina (the "State Board") the responsibility for making allocations of the State Ceiling.

5. This Petition constitutes the Authority's Authorized Request (as such term is used in Section 1-11-530(B) of the Act) that, the State Board allocate for carryforward any remaining portion of the State Ceiling for 1992.

8. Pursuant to Section 1-11-530(C) of the Act, the Authority certifies that the Bonds, and the amount thereof, constitute all of the private activity bond financing contemplated during calendar year 1993.

WHEREFORE, on the basis of the foregoing, the Authority respectfully prays:

03480

That the State Board accept the filing of this Petition as the Authorized Request by the Authority that, pursuant to Section 1-1-10 of the Act, the State Board allocate any remaining 1992 State Ceiling to the Authority and file a Carryforward election with the Internal Revenue Service in connection with such allocation.

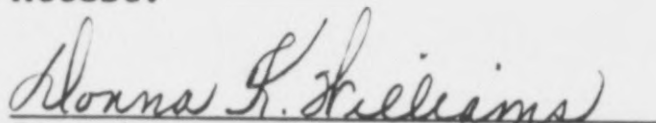
~~October~~ ^{November} 10, 1992.

Respectfully submitted,

SOUTH CAROLINA STATE EDUCATION
ASSISTANCE AUTHORITY

By 
Chairman

Attest:


Secretary

EXHIBIT

NOV 10 1992

22

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

FISCAL YEAR 1993-94 BUDGET HEARINGS

Tuesday, November 10, 1992

Fiscal Year 1993-94 General Fund Revenue Forecast

Harry W. Miley, Jr., Ph.D.
Chairman, Board of Economic Advisors

Forecast of Weighted Pupil Units in South Carolina

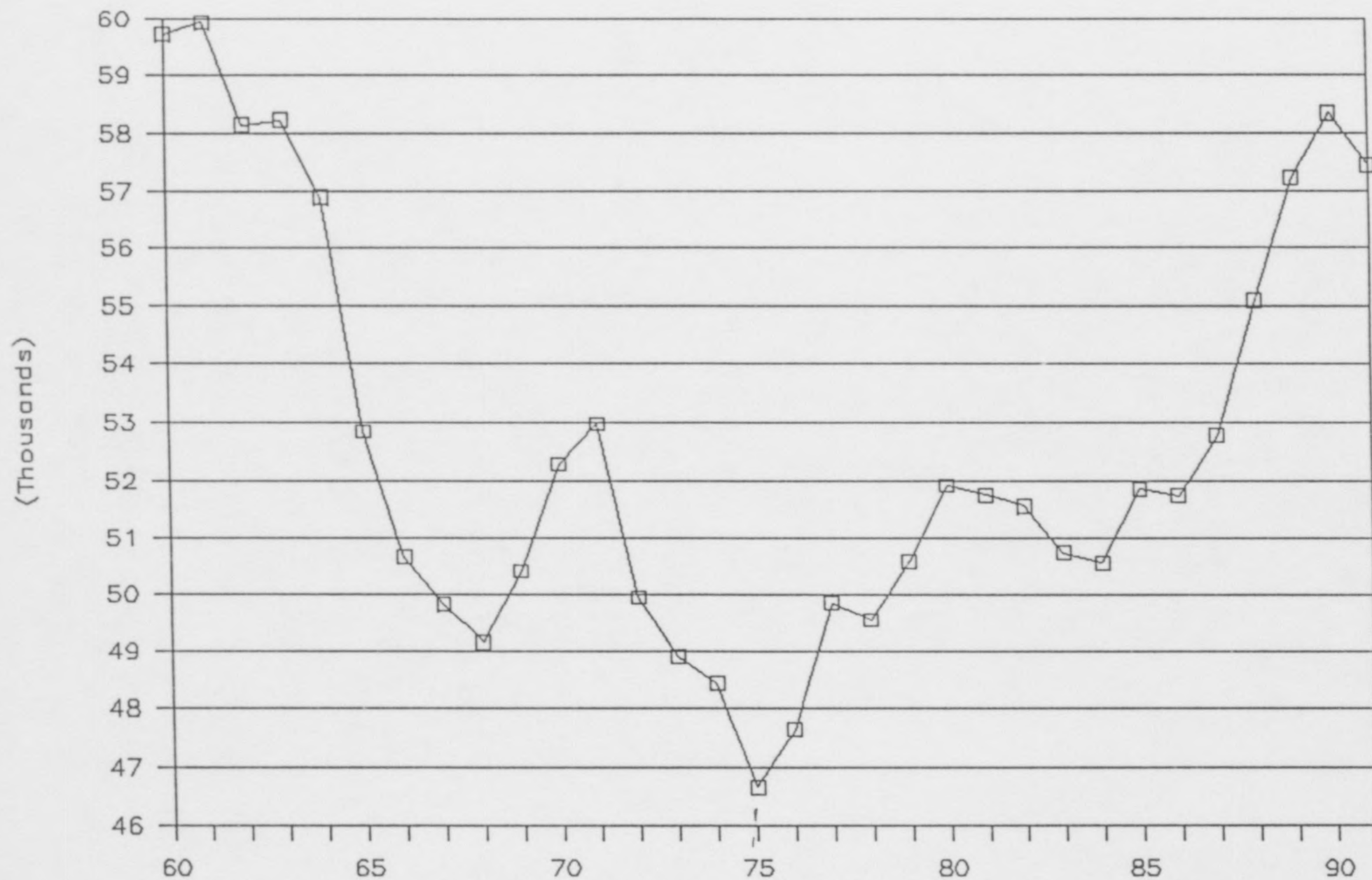
William C. Gillespie, Ph.D.
Chief Economist, Board of Economic Advisors

Budget Outlook and Recommendations, Fiscal Year 1993-94

Charles A. Brooks, Jr.
Director, State Budget Division

03482

BIRTHS



EXHIBIT

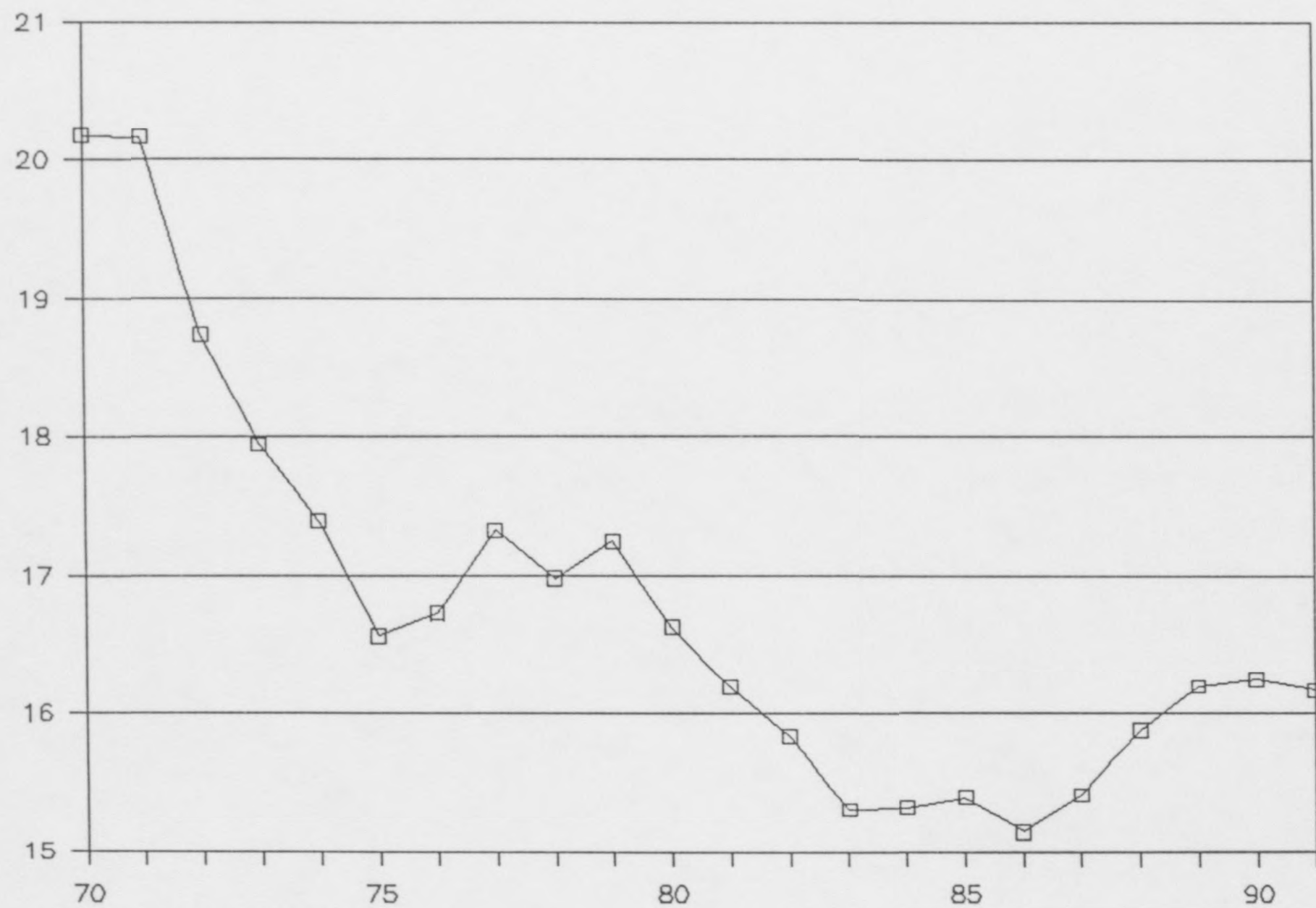
NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

03483

BIRTHS PER 1,000 POPULATION



03484

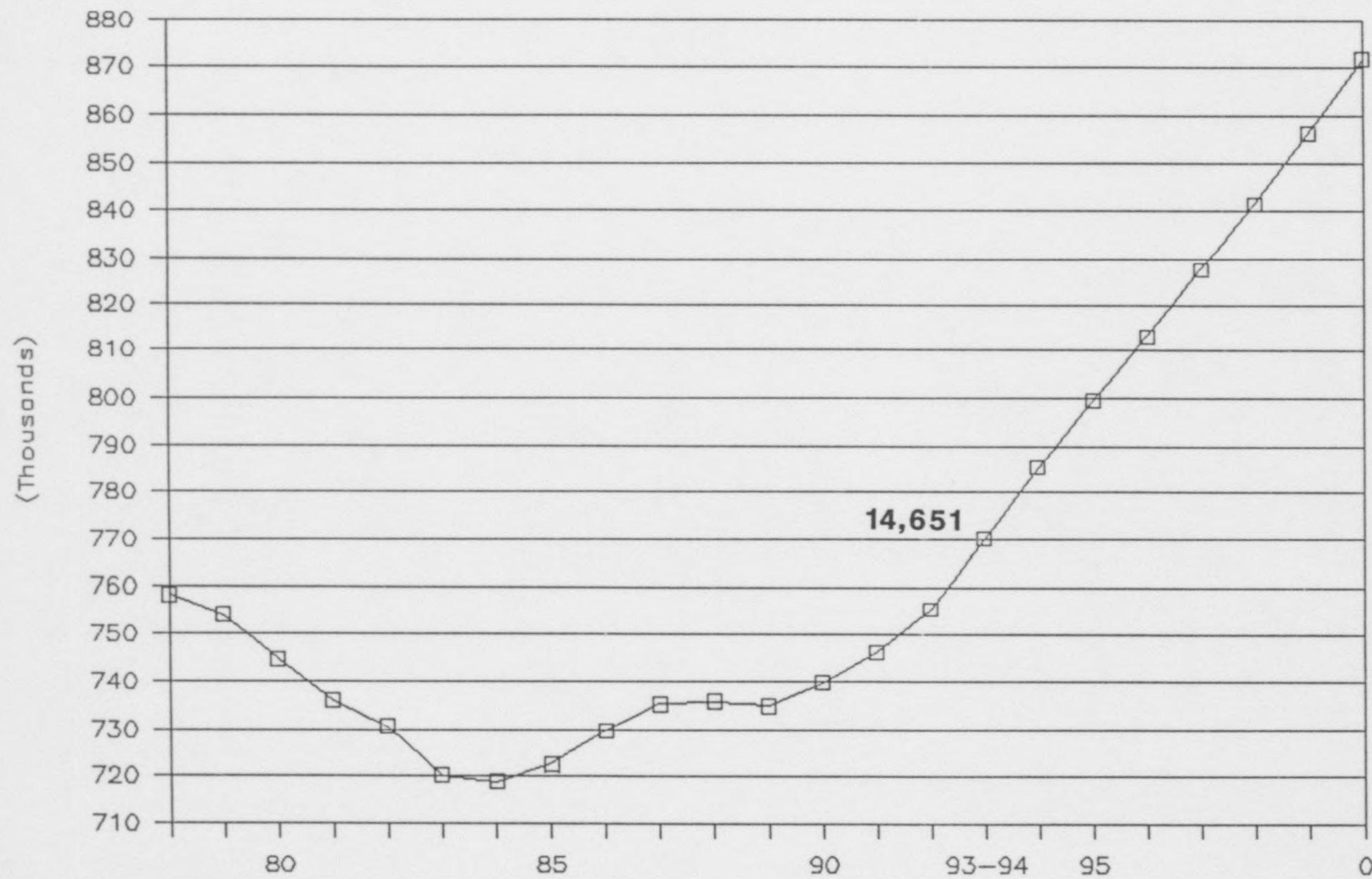
EXHIBIT

NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

WEIGHTED PUPIL UNITS



03485

EXHIBIT

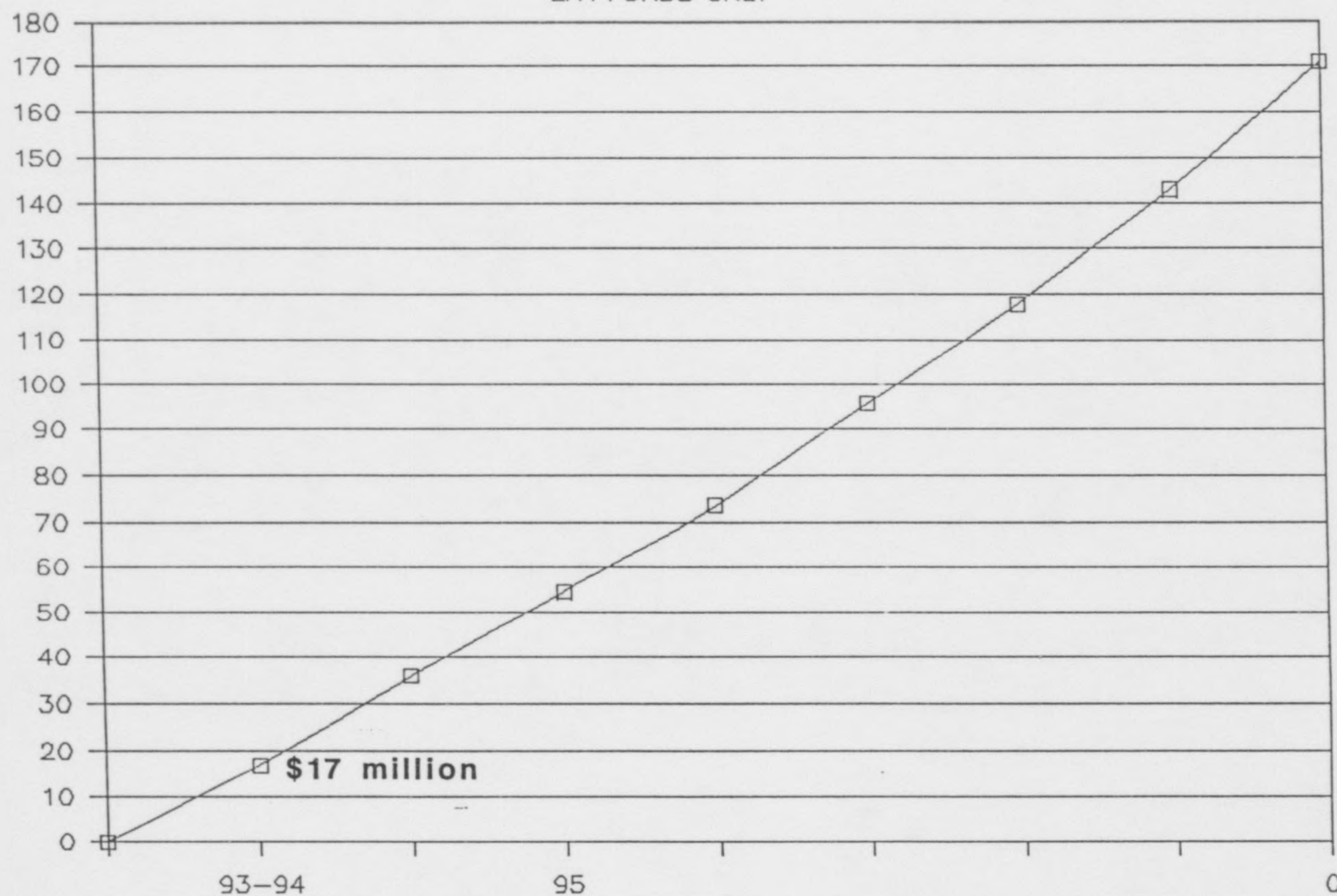
NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

DOLLARS NEEDED TO FUND PUPIL GROWTH

EFA FUNDS ONLY



03486

EXHIBIT

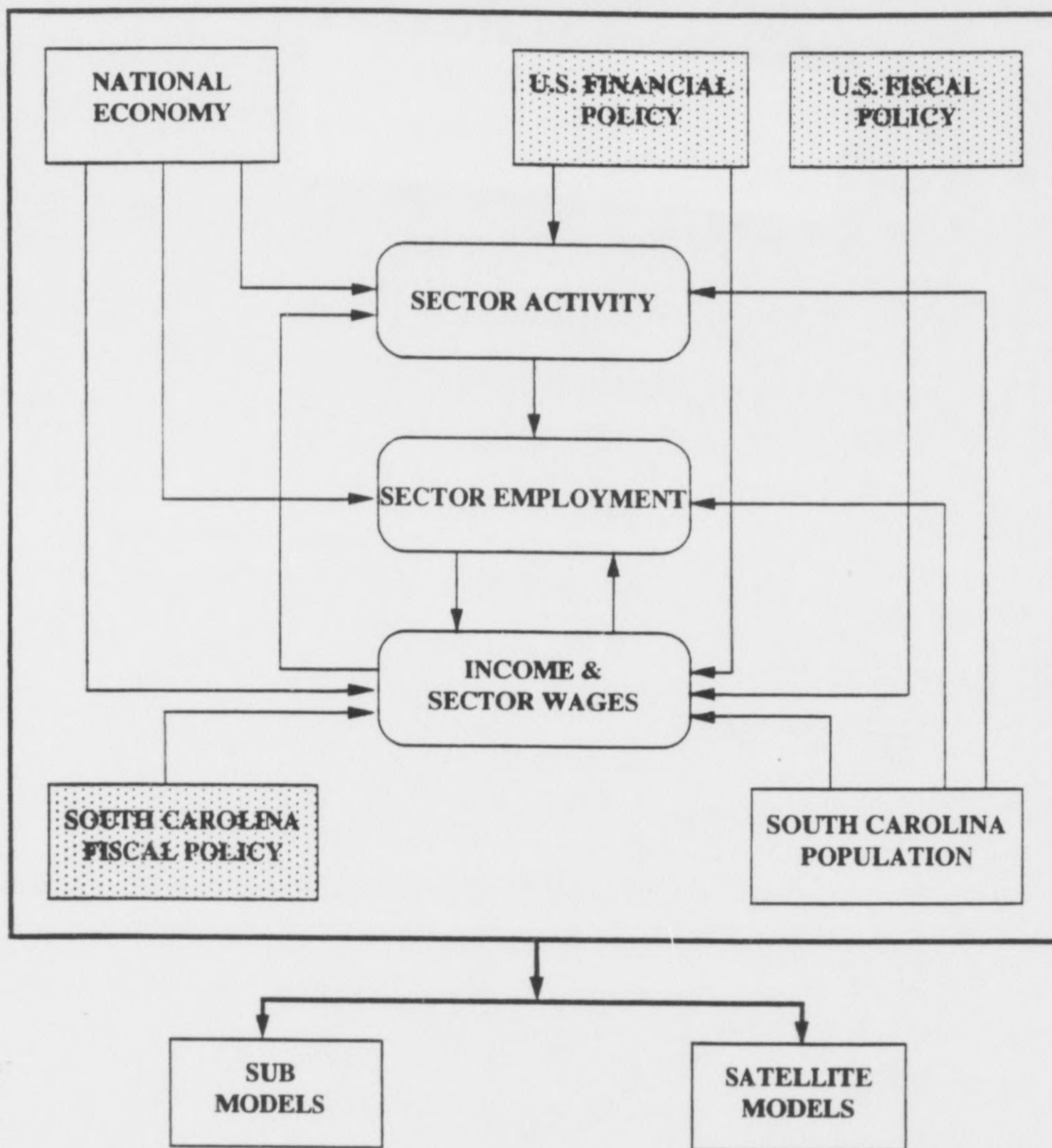
NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

SCOPE MODEL

SOUTH CAROLINA OPERATIONS, PLANNING & EVALUATION MODEL



- Exogenous Variables
- Exogenous Policy Variables
- Endogenous Variables

REVENUE FORECASTING PROCEDURES
BOARD OF ECONOMIC ADVISORS
FISCAL YEARS 1993 and 1994

The procedures and methodology of the Board of Economic Advisors in the preparation of the revenue forecast for Fiscal Year 1993-94 as of November 9, 1992 involved three major stages: 1) preparation of a detailed report providing the economic and revenue background and setting at the national and State levels for the revenue forecasts; 2) interpreting recent and historical revenue relationships; and 3) interacting with officials of other states with responsibility for revenue forecasting.

The Board members consulted as in the past with business and financial experts and professional economists for economic intelligence gathering. This included a meeting held on November 4, 1992 in Columbia with the National Advisory Council to the Board of Economic Advisors. Present at the meeting were: Bruce Yandle, Jr., Ph.D., Professor of Legal Studies and First Savings Bank Scholar, Clemson University; Ronald P. Wilder, Ph.D., Chairman, Department of Economics, University of South Carolina; and Frank L. Hefner, Ph.D., Assistant Professor and Research Economist, Division of Research, College of Business Administration, University of South Carolina. The Board also received advice on specific revenue adjustments from the State's revenue working group, which is comprised of staff from the Governor's Office, the S.C. Tax Commission, Senate Finance Committee, House Ways and Means Committee, Comptroller General's Office, State Treasurer's Office, and Budget Office.

The resources of the national forecasting groups by which the SCOPE model and other forecasts are driven, Data Resources, Inc., Evans Economics, Inc., and WEFA, Inc., were available weekly and monthly to Board members and staff. Materials from a variety of sources--international, national and State publications--were also made available to Board members and staff. In addition, there was Board interaction with numerous national and regional economists. Further, BEA staff met with leading industry representatives organized by Board member S. Hunter Howard, Jr. held at the Capitol City Club, November 5, 1992. Board members and staff continued discussions with leading economists and business and financial leaders prior to the release of this Report as well as with forecasters from South Carolina universities before the Board's November 9, 1992 meeting in Columbia.

BRIEF OVERVIEW OF THE SCOPE MODEL

The SCOPE (South Carolina Operations Planning and Evaluation) Model was initiated in 1972 in the Office of Chief Economist (originally in the Governor's office). It was designed and operated as a policy and forecasting tool for top level executive, legislative and management decision making. SCOPE is an econometric model designed to reflect the South Carolina economy and to forecast the performance of major economic variables in the State, particularly tax revenues, employment and income. The model is based on a framework of economic activity in the State relative to national economic activity with approximately 85 exogenous national variables provided by leading national forecasting services such as Data Resources, Inc., the WEFA Group, and Evans Economics, Inc.

The SCOPE core econometric model consists of 51 equations, of which 37 are stochastic* and 14 are identities. SCOPE attempts to reflect the diversity of the South Carolina economy by including 19 industrial sectors of manufacturing and nonmanufacturing employment, and a series of equations for wages, personal income and unemployment.

Durable Manufacturing Employment

The durable manufacturing employment block consists of ten stochastic equations for the major industries in the State as reported by the South Carolina Employment Security Commission. The employment equations for each separate industry are expressed as a function of a national consumption expenditure index appropriate for that particular industry, a national industrial production index corresponding to that industry and the national level of employment in that industry. The durable employment forecasts include the following industries: Lumber and Wood Products, Stone, Clay and Glass, Primary and Fabricated Metal Products, Electrical and Nonelectrical Machinery and Other Durables which includes Furniture and Fixtures, Transportation, Instruments and Related Products.

Nondurable Manufacturing Employment

The nondurable manufacturing employment block consists of seven stochastic equations for the major nondurable industries in the State. Like the durable block, the employment equation for each industry is expressed as a function of a national consumption index appropriate for that particular industry, a national industrial production index for that particular industry and the national level of employment in that industry. Employment forecasts are available for each of the following nondurable industries: Food and Kindred Products, Textile Mill Products, Apparel, Paper, Printing and Publishing, Chemicals and Other Nondurables, such as Rubber and Miscellaneous Plastics Products.

* Stochastic is defined as a type of modeling for time series analysis explaining future probability from historical experience.

Nonmanufacturing Employment

The nonmanufacturing employment block is disaggregated into eight stochastic equations: Mining, Construction, Transportation and Public Utilities, Services, Trade, Finance-Insurance-Real Estate, State and Local Government and Federal Government. Employment growth in these industries is specified as functions of State population, national employment in these industries and national consumption indices.

Personal Income

The personal income block is composed of 12 equations, one equation for the unemployment rate, one equation to adjust for nonresidents, and ten additional equations for each of the ten major components of personal income as published by the Bureau of Economic Analysis, U.S. Department of Commerce. These equations are specified as functions of their respective national and State income and employment variables. In addition, equations are estimated for wage and salary disbursements for all major industries and are specified as functions of national wage trends and State employment levels.

Revenues

The revenue section of the model is being structured to emphasize four major stochastic Regular Revenue Sources equations: 1) South Carolina corporate income tax, 2) South Carolina individual income taxes, 3) South Carolina retail sales tax, and 4) all other taxes. These equations are individually specified as functions of aggregate employment and income with their respective coefficients and constants. In addition, there are two stochastic equations for taxable sales and refunds.

Equations of the model are continuously respecified to account for revisions in historical data. Reformulation and respecification of the model continues as an ongoing process. Forecasts from the SCOPE core and revenue models were made available for deliberations in the first official estimate of FY 1993-94 by the Board of Economic Advisors on November 9, 1992.

TABLE I
GENERAL FUND REVENUES
FISCAL YEARS 1992-93 AND 1993-94
(In Millions of Dollars)

	ACTUAL FY 1991-92	BEA 8/19/92 REVISED ESTIMATE FY 1992-93	BEA 11/9/92 ESTIMATE FY 1993-94
TOTAL GENERAL FUND (1)	3,341.6	3,567.2	3,581.8
Total Recurring Revenue (1)	3,327.0	3,444.2	3,533.2
Sales Tax (1)	1,166.0	1,207.0	1,249.2
Individual Income Tax	1,410.9	1,470.3	1,543.8
Corporation Income Tax	132.4	139.7	139.6
All Other	572.6	576.0	549.2
Miscellaneous Sources	45.2	51.2	51.4
Total Nonrecurring Revenue	14.6	123.0	48.6
Education Improvement Fund	294.223	301.750*	312.300 *
Interest on Education Improvement Fund	0.895	0.525	0.525
TOTAL	295.118	302.275	312.825
		RATES OF CHANGE**	
TOTAL GENERAL FUND		3.4%	0.4%
Total Recurring Revenue		3.5	2.6
Sales Tax		3.5	3.5
Individual Income Tax		4.2	5.0
Corporation Income Tax		5.5	-0.1
All Other		0.6	-4.6
Miscellaneous Sources		13.4	0.4
Total Nonrecurring Revenue		743.7	-60.5
Education Improvement Fund		2.6	3.5
Interest on Education Improvement Fund		-41.3	0.0
TOTAL		2.4	3.5

(1) Net of Education Improvement Fund.

* One-fifth of total sales tax.

** Percent change based on unrounded figures.

Board of Economic Advisors
November 16, 1992

03491

TABLE II

STATE OF SOUTH CAROLINA
TOTAL BUDGETARY GENERAL FUND
QUARTERLY ESTIMATES
Fiscal Years 1992-93 and 1993-94
(In Millions of Dollars)

	FY 1992-93 -----	FY 1993-94 -----
FIRST QUARTER	943.8 *	919.2
SECOND QUARTER	1,818.8	1,872.3
THIRD QUARTER	2,589.3	2,629.5
FOURTH QUARTER	3,567.2	3,581.8

PERCENT OF TOTAL REVENUES
COLLECTION BY QUARTER

	FY 1992-93 -----	FY 1993-94 -----
FIRST QUARTER	26.5 **	25.7
SECOND QUARTER	24.5	26.6
THIRD QUARTER	21.6	21.1
FOURTH QUARTER	27.4	26.6

*: Actual.

**: Actual quarterly data as percent of total estimate.

Note: Tax collections for June sales accrue in the month of June.
These estimates represent a cash basis distribution.

Board of Economic Advisors
November 16, 1992

03492

THE MONTHLY REVENUE LETTER

SOUTH CAROLINA BUDGET AND CONTROL BOARD
BOARD OF ECONOMIC ADVISORS

NOVEMBER 1992

To the South Carolina Budget and Control Board:

GENERAL FUND REVENUE: General Fund Revenues continued to accrue in October essentially in line with the rate needed to meet the BEA estimate for the full fiscal year, even though the 7.0 percent growth in Recurring Revenues appeared strong. The Individual Income Tax was a little ahead of schedule, the Sales Tax roughly on schedule, and the Corporate Income Tax behind schedule. The host of revenues in the All Other Revenue category were ahead of schedule because of a transfer under Departmental Revenue of money from the Superb Fund sooner than expected. Because of a large increase in the personal exemption deduction, the Individual Income Tax needs to grow slightly faster than the average rate required to meet the estimate over the full year to cover an expected surge in refunds this spring.

Nonrecurring receipts were still behind schedule for the fiscal year to date. Funds from the teaching hospital program were not received as expected. Receipts from the radioactive waste surcharge were behind schedule as a result of reduced volumes. Slower than expected receipts from nonrecurring sources offset favorable receipts in the recurring sources, making overall growth on target through October.

03493

THE MONTHLY REVENUE LETTER

SOUTH CAROLINA BUDGET AND CONTROL BOARD
BOARD OF ECONOMIC ADVISORS

NOVEMBER 1992

To the South Carolina Budget and Control Board:

GENERAL FUND REVENUE: General Fund Revenues continued to accrue in October essentially in line with the rate needed to meet the BEA estimate for the full fiscal year, even though the 7.0 percent growth in Recurring Revenues appeared strong. The Individual Income Tax was a little ahead of schedule, the Sales Tax roughly on schedule, and the Corporate Income Tax behind schedule. The host of revenues in the All Other Revenue category were ahead of schedule because of a transfer under Departmental Revenue of money from the Superb Fund sooner than expected. Because of a large increase in the personal exemption deduction, the Individual Income Tax needs to grow slightly faster than the average rate required to meet the estimate over the full year to cover an expected surge in refunds this spring.

Nonrecurring receipts were still behind schedule for the fiscal year to date. Funds from the teaching hospital program were not received as expected. Receipts from the radioactive waste surcharge were behind schedule as a result of reduced volumes. Slower than expected receipts from nonrecurring sources offset favorable receipts in the recurring sources, making overall growth on target through October.

03493

GENERAL FUND REVENUE MONTHLY SUMMARY: FISCAL YEARS 1991-92 & 1992-93

TABLE 1

MONTH OF OCTOBER

REVENUE CATEGORIES	FY 1991-92	FY 1992-93	\$ CHANGE	% CHANGE
RETAIL SALES & USE TAX	\$95,049,962	\$97,918,543	\$2,868,581	3.0
EXCISE TAX, CASUAL SALES	710,536	937,056	226,520	31.9
TOTAL, SALES TAXES 1/	95,760,498	98,855,599	3,095,101	3.2
TOTAL, INDIVIDUAL INCOME TAX	140,655,133	151,003,517	10,348,384	7.4
TOTAL, CORPORATION INCOME TAX	1,433,539	1,780,680	347,141	24.2
ADMISSIONS TAX	1,110,395	930,336	(180,059)	(16.2)
AIRCRAFT TAX	12,239	0	(12,239)	(100.0)
ALCOHOLIC LIQUOR TAX	3,904,691	4,172,652	267,961	6.9
BANK TAX	(236,078)	(302,165)	(66,087)	(28.0)
BEER AND WINE TAX	5,838,098	6,681,747	843,649	14.5
BUSINESS LICENSE TAX	2,920,035	2,517,642	(402,393)	(13.8)
COIN-OPERATED DEVICE TAX	606,292	1,296,818	690,526	113.9
COMMERCL. NUCLEAR WASTE TAX	947,657	1,063,349	115,692	12.2
CONTRACTORS LICENSE TAX	15,065	18,199	3,134	20.8
CORPORATION LICENSE TAX	957,583	1,062,388	104,805	10.9
DEPARTMENT OF AGRICULTURE	523,088	539,463	16,375	3.1
DEPARTMENTAL REVENUE	2,750,692	6,900,015	4,149,323	150.8
DOCUMENTARY TAX	983,859	1,088,824	104,965	10.7
EARNED ON INVESTMENTS **	1,644,120	1,788,203	144,083	8.8
ELECTRIC POWER TAX	2,028,351	1,567,086	(461,265)	(22.7)
ESTATE TAX	2,276,493	2,107,129	(169,364)	(7.4)
FERTILIZER INSPECTION TAX	16,260	5,716	(10,544)	(64.8)
GASOLINE TAX-COUNTIES	1,469,930	1,514,313	44,383	3.0
GIFT TAX	163,521	146,086	(17,435)	(10.7)
INSURANCE TAX	1,885,515	(486,475)	(2,371,990)	(125.8)
MOTOR TRANSPORT FEES	1,610,433	2,086,916	476,483	29.6
PRIVATE CAR LINES TAX	4,886	0	(4,886)	(100.0)
PUBLIC SERVICE ASSESSMENT	3,040,347	4,196,869	1,156,522	38.0
PUBLIC SERVICE AUTHORITY	0	0	0	0.0
RADIOACTIVE WASTE SURCHARGE	746,501	1,254,999	508,498	68.1
RETAILERS LICENSE TAX	91,998	66,187	(25,811)	(28.1)
SAVINGS AND LOAN ASSOC. TAX	(15,945)	63,685	79,630	499.4
SOFT DRINKS TAX	1,782,131	1,731,128	(51,003)	(2.9)
WORKERS COMP. INSURANCE TAX	140,237	(102,535)	(242,772)	(173.1)
TOTAL, ALL OTHER REVENUE	37,218,394	41,908,575	4,690,181	12.6
TOTAL, REGULAR SOURCES	275,067,564	293,548,371	18,480,807	6.7
CIRCUIT/FAMILY COURT FINES	382,099	525,095	142,996	37.4
DEBT SERVICE TRANSFERS	107,214	337,594	230,380	214.9
HOUSING AUTHORITY REIMB.	0	0	0	0.0
INDIRECT COST RECOVERIES	785,730	1,381,866	596,136	75.9
MENTAL HEALTH FEES	0	0	0	0.0
PAROLE & PROBATION FEES	303,581	247,527	(56,054)	(18.5)
UNCLAIMED PROPERTY FUND	726,886	673,528	(53,358)	(7.3)
WASTE TREATMENT LOAN REPAY.	19,499	19,900	401	2.1
TOTAL, MISCELLANEOUS SOURCES	2,325,009	3,185,510	860,501	37.0
TOTAL, RECURRING REVENUE	277,392,573	296,733,881	19,341,308	7.0
TOTAL, NONRECURRING REVENUE	0	5,758,225	5,758,225	N/A
TOTAL, GENERAL FUND REVENUE	\$277,392,573	\$302,492,106	\$25,099,533	N/A

1/: Excludes (1%) Education Improvement Act and (2%) Accommodations Taxes. The State changed the basis of accounting from cash to modified accrual in FY 1990-91. Sales Tax revenues above, however, have been reported under the cash basis for comparison purposes.

** : Month-to-month variations in Investment Earnings can occur as a result of maturity differentials. #: Sign Change.

N/A: A year-to-year comparison is not applicable because of nonrecurring revenues.

Source: S. C. Board of Economic Advisors.

03494

GENERAL FUND REVENUE CUMULATIVE SUMMARY: FISCAL YEARS 1991-92 & 1992-93

TABLE 2

JULY - OCTOBER				
REVENUE CATEGORIES	FY 1991-92	FY 1992-93	\$ CHANGE	CHANGE
RETAIL SALES & USE TAX	\$392,799,921	\$405,991,389	\$13,191,468	3.4
EXCISE TAX, CASUAL SALES	1,836,977	2,279,039	442,062	24.1
TOTAL, SALES TAXES 1/	394,636,898	408,270,428	13,633,530	3.5
TOTAL, INDIVIDUAL INCOME TAX	553,660,613	601,526,391	47,865,778	8.6
TOTAL, CORPORATION INCOME TAX	35,185,372	26,162,227	(9,023,145)	(25.6)
ADMISSIONS TAX	5,205,248	5,989,179	783,931	15.1
AIRCRAFT TAX	25,994	17,044	(8,950)	(34.4)
ALCOHOLIC LIQUOR TAX	11,023,013	11,639,209	616,196	5.6
BANK TAX	1,462,379	3,047,090	1,584,711	108.4
BEER AND WINE TAX	19,160,877	20,612,783	1,451,906	7.6
BUSINESS LICENSE TAX	9,535,019	9,907,261	372,242	3.9
COIN-OPERATED DEVICE TAX	2,160,196	3,885,896	1,725,700	79.9
COMMERCL. NUCLEAR WASTE TAX	947,657	1,063,349	115,692	12.2
CONTRACTORS LICENSE TAX	91,142	78,397	(12,745)	(14.0)
CORPORATION LICENSE TAX	3,181,073	2,345,435	(835,638)	(26.3)
DEPARTMENT OF AGRICULTURE	2,137,855	2,148,533	10,678	0.5
DEPARTMENTAL REVENUE	17,189,276	21,416,116	4,226,840	24.6
DOCUMENTARY TAX	3,495,926	4,692,210	1,196,284	34.2
EARNED ON INVESTMENTS **	12,472,488	10,285,938	(2,186,550)	(17.5)
ELECTRIC POWER TAX	6,894,130	6,402,957	(491,173)	(7.1)
ESTATE TAX	7,851,152	5,585,907	(2,265,245)	(28.9)
FERTILIZER INSPECTION TAX	56,692	66,907	10,215	18.0
GASOLINE TAX-COUNTIES	6,273,257	6,357,898	84,641	1.3
GIFT TAX	375,735	218,842	(156,893)	(41.8)
INSURANCE TAX	20,436,527	21,368,274	931,747	4.6
MOTOR TRANSPORT FEES	3,619,234	2,546,440	(1,072,794)	(29.6)
PRIVATE CAR LINES TAX	4,812	0	(4,812)	(100.0)
PUBLIC SERVICE ASSESSMENT	4,591,950	4,393,664	(198,286)	(4.3)
PUBLIC SERVICE AUTHORITY	4,487	830	(3,657)	(81.5)
RADIOACTIVE WASTE SURCHARGE	2,389,059	4,377,355	1,988,296	83.2
RETAILERS LICENSE TAX	305,786	71,978	(233,808)	(76.5)
SAVINGS AND LOAN ASSOC. TAX	315,076	995,874	680,798	216.1
SOFT DRINKS TAX	8,558,818	8,509,501	(49,317)	(0.6)
WORKERS COMP. INSURANCE TAX	3,879,330	2,666,491	(1,212,839)	(31.3)
TOTAL, ALL OTHER REVENUE	153,644,188	160,691,358	7,047,170	4.6
TOTAL, REGULAR SOURCES	1,137,127,071	1,196,650,404	59,523,333	5.2
CIRCUIT/FAMILY COURT FINES	1,520,753	1,935,645	414,892	27.3
DEBT SERVICE TRANSFERS	547,088	984,746	437,658	80.0
HOUSING AUTHORITY REIMB.	0	0	0	0.0
INDIRECT COST RECOVERIES	2,045,006	2,776,719	731,713	35.8
MENTAL HEALTH FEES	0	0	0	0.0
PAROLE & PROBATION FEES	1,093,830	1,044,811	(49,019)	(4.5)
UNCLAIMED PROPERTY FUND	879,595	716,304	(163,291)	(18.6)
WASTE TREATMENT LOAN REPAY.	108,249	56,300	(51,949)	(48.0)
TOTAL, MISCELLANEOUS SOURCES	6,194,521	7,514,525	1,320,004	21.3
TOTAL, RECURRING REVENUE	1,143,321,592	1,204,164,929	60,843,337	5.3
TOTAL, NONRECURRING REVENUE	2,227,810	42,144,178	39,916,368	N/A
TOTAL, GENERAL FUND REVENUE	\$1,145,549,402	\$1,246,309,107	\$100,759,705	N/A

1/: Excludes (1%) Education Improvement Act and (2%) Accommodations Taxes. The State changed the basis of accounting from cash to modified accrual in FY 1990-91. Sales Tax revenues above, however, have been reported under the cash basis for comparison purposes.

N/A: A year-to-year comparison is not applicable because of nonrecurring revenues.

Source: S. C. Board of Economic Advisors.

03495

SOUTH CAROLINA BUDGETARY GENERAL FUND CUMULATIVE SUMMARY FISCAL YEAR 1992 - 93:
ACTUAL REVENUE AND ESTIMATED REVENUE WITH GROWTH COMPARISONS (MILLION \$)

TABLE 3

REVENUE CATEGORY	NEW MONEY COLLECTED JULY-OCTOBER	NEW MONEY NEEDED TO MEET FULL YEAR ESTIMATE FY 1992-93	PERCENT GROWTH ACTUAL JULY-OCTOBER	PERCENT GROWTH TO MEET ESTIMATE FY 1992-93
SALES, USE & EXCISE 1/	\$13.6	\$41.0	3.5 %	3.5 %
INDIVIDUAL INCOME	47.9	59.4	8.6	4.2
CORPORATION INCOME	(9.0)	7.3	(25.6)	5.5
ALL OTHER REVENUE	7.0	3.4	4.6	0.6
MISCELLANEOUS SOURCES	1.3	6.1	21.3	191.6
TOTAL RECURRING REVENUE	60.8	117.2	5.3	3.5
TOTAL NONRECURRING REVENUE	39.9	108.4	N/A	N/A
TOTAL GENERAL FUND REVENUE	\$100.8	\$225.6	N/A %	N/A %

1/: Excludes (1%) Education Improvement Act and (2%) Accommodations Taxes.

N/A: A year-to-date comparison is not applicable because of nonrecurring revenues.

Note: Detail may not add to total due to rounding.

Source: S. C. Board of Economic Advisors.

BOARD OF ECONOMIC ADVISORS
EDGAR A. BROWN BUILDING, SUITE 535
1205 PENDLETON STREET
COLUMBIA, S.C. 29201-3731

DONNA K. WILLIAMS
SECRETARY & ASST. DIR.
SC BUDGET & CONTROL BOARD
6TH FLOOR, WADE HAMPTON
OFFICE BLDG. *

03496

STATE OF SOUTH CAROLINA

Board of Economic Advisors



Harry W. Miley, Jr., Ph.D., Chairman
Andrew J. Crane
S. Hunter Howard, Jr.
A. Crawford Clarkson, Jr., Ex Officio
William C. Gillespie, Ph.D., Chief Economist

Edgar A. Brown Building
1205 Pendleton Street, Suite 535
Columbia, South Carolina 29201
(803) 734-1510
Fax (803) 734-1530

To: South Carolina Budget and Control Board

From: Harry W. Miley, Jr.

Subject: Official Estimate of Revenues for Fiscal Year 1993-94

The Board of Economic Advisors (BEA) submits its official estimate of General Fund Revenues for Fiscal Year 1993-94.

Because of the overhang of the large federal deficit, heavy consumer debt, and tight credit conditions, the BEA does not expect the current economic recovery to be as robust as those from previous recessions. The BEA expects the national economy to continue to recover slowly this fiscal year at 1.7 percent and to perform slightly better in Fiscal Year 1993-94 at 2.1 percent.

The South Carolina economy is expected to be sluggish the balance of FY 1992-93. Except for a small improvement in housing construction and a little longer workweek in textiles, there has been little indication that the State's economy has started a sustained recovery. The forecast assumes that there will be some job growth from the lows hit last spring, but on an annual average, employment in South Carolina in FY 1992-93 will only recover to its average level in FY 1991-92. Income is expected to grow by 3.0 percent or less in FY 1992-93.

03497

Revenue results for the first four months of Fiscal Year 1992-93 do not provide a basis for revising the current estimate for Fiscal Year 1992-93. Although there are individual sources that are running a little ahead or behind the plan, the sum of General Fund Revenues is almost exactly on plan.

Some pickup in the State's economy is forecast for Fiscal Year 1993-94. New investments moving to the State will begin to materialize. The textile and chemical industries are expected to recover because of rising demand for textiles, both domestically and in Canada and Mexico. The State's construction sector is expected to recover modestly from its devastation experienced over the last two years. Other sectors of the State will begin to recover. On balance, the forecast assumes income growth of 5.0 percent during Fiscal Year 1993-94.

The Individual Income Tax is forecasted to grow about the same as income at 5 percent in Fiscal Year 1993-94. The Sales Tax is forecasted to grow less than income at 3.5 percent because consumers are still paying down debt. The Corporate Income Tax is forecasted to remain flat.

The balance of revenue sources will be very weak. The fixed rate taxes which are based on consumption, such as alcoholic liquors, beer, wine, cigarettes, soft drinks will grow hardly any.

Although Sales and Individual Income Taxes are expected to

03498

grow somewhat next year, revenues in Fiscal Year 1993-94 will be only \$15 million above those estimated for this year because of several extraordinary factors. A total of \$76.5 million in nonrecurring taxes will not reoccur. The Insurance Tax will be \$5.9 million less because of municipal credits and the transition to biennial licenses. Though the waste plant is assumed to remain open, volume is expected to decline because of the extraordinary high fee, reducing expected revenues by \$5.7 million. The Medicaid bed fee at \$9.8 million has been eliminated. The estimate for court fines was reduced \$2.0 million. Receipts from the Superb Fund are expected to end, reducing the estimate another \$11.5 million.

On balance, taking into account the weak sources, nonrecurring revenues, and selected reductions, General Fund Revenues are forecasted to grow only 0.4 percent over the Fiscal Year 1992-93 estimate to a level of \$3,581.8 million.

03499



EXHIBIT

NOV 10 1992

23

STATE BUDGET & CONTROL BOARD

OVERVIEW OF FY 1993-94 BUDGET REQUESTS

by
Charles A. Brooks, Jr.
Director, State Budget Division

November 10, 1992

03500

**FISCAL YEAR 1993-94
PRELIMINARY ALLOCATIONS**

Appropriated Base per FY 1992-93 Act less Veto	\$3,728,986,253
---	-----------------

MINUS:

Mid-Year Reductions Made Permanent	(136,391,445)
Non-Recurring Items	(93,056,793)
Non-Recurring Items Section 14D.7	<u>(15,700,000)</u>

SUBTOTAL	\$3,483,838,015
-----------------	------------------------

PLUS:

Base Pay Annualization	6,191,725
Health Insurance Annualization Rate Increase Effective January 1, 1993	<u>22,610,769</u>

TOTAL INITIAL ALLOCATION FOR FY 1993-94	<u><u>\$3,512,640,509</u></u>
--	--------------------------------------

EXHIBIT

NOV 10 1992 23

STATE BUDGET & CONTROL BOARD

03501

**FISCAL YEAR 1993-94
GENERAL FUND REVENUE**

**GENERAL FUND REVENUE FY 1992-93
(August 21, 1992)**

\$3,567,159,627

**GENERAL FUND REVENUE FY 1993-94
(November 10, 1992)**

3,581,800,000

% CHANGE

0.4%

03502

**FISCAL YEAR 1993-94
GENERAL FUND REVENUE**

Revised FY 1992-93 Revenue Forecast	\$3,567,159,627
MINUS:	
Non-Recurring Revenue in FY 1992-93 Base	<u>123,000,000</u>
BASE Revised FY 1992-93 Recurring Revenue	<u>\$3,444,159,627</u>
FY 1993-94 RECURRING Revenue Forecast at 2.6% Growth	\$3,535,300,000
MINUS:	
Initial RECURRING Allocation FY 1993-94	<u>3,512,640,509</u>
RESIDUAL "New Money" RECURRING Available for Allocation	\$ 22,659,491
NON-RECURRING Revenue FY 1993-94	<u>46,500,000</u>
TOTAL AVAILABLE GENERAL FUNDS FY 1993-94	<u>\$ 69,159,491</u>

EXHIBIT

NOV 10 1992 2 3

STATE BUDGET & CONTROL BOARD

**FISCAL YEAR 1993-94
MAJOR EXPENDITURE COMMITMENTS**

CONSTITUTIONAL

General Reserve Fund Replacement 1% of FY 1991-92 Revenue	\$33,415,867
Capital Reserve Fund to 2% of FY 1991-92 Revenue	723,179
Judges and Justices Salary Restoration	<u>486,516</u>
SUBTOTAL CONSTITUTIONAL	<u>\$34,625,562</u>

03504

FISCAL YEAR 1993-94
MAJOR EXPENDITURE COMMITMENTS
(continued)

STATUTORY

Constitutional Officers' Pay	\$ 16,746
Legislators' Pay	94,883
Debt Service Bonds	12,391,720
Election Commission 1994 Statewide Primaries	2,065,500
Aid to Subdivisions Local Government Fund	6,358,406
Homestead Exemption Restoration & Growth	8,951,475
Education Finance Act Restoration of 3.9% Base Reduction	47,589,675
Inflation Factor FY 1993-94 Formula	39,819,740
Related Employee Benefits	<u>11,621,561</u>

SUBTOTAL STATUTORY **128,909,706**

TOTAL MAJOR EXPENDITURE COMMITMENTS **\$163,535,268**

EXHIBIT

NOV 10 1992 2 3

STATE BUDGET & CONTROL BOARD

03505

COMPELLING ITEMS

EMPLOYEE BENEFITS

State Pay Plan; 3.0% Payout; \$12,627,324 per percent	\$37,881,972
--	--------------

Health Insurance Increase; 9.0%
Growth; 1,600 New Retirees

Agencies	3,447,709
----------	-----------

School Employees	4,353,089
------------------	-----------

Retirees	4,895,536
----------	-----------

HIGHER EDUCATION

Restoration of 3.9% Base Reduction	23,848,388
------------------------------------	------------

Formula Funding with Non-Recurring Funds	30,200,000
---	------------

03506

COMPELLING ITEMS
(continued)

PRIMARY & SECONDARY EDUCATION

School Buses	\$ 8,600,000
Textbooks	20,355,928

HEALTH & SOCIAL SERVICES

Restoration of 3.9% Base Reduction	28,238,699
------------------------------------	------------

DEPARTMENT OF CORRECTIONS

Restoration of 3.9% Base Reduction	<u>10,155,641</u>
------------------------------------	-------------------

TOTAL COMPELLING ITEMS

\$171,976,962

EXHIBIT

NOV 10 1992 23
STATE BUDGET & CONTROL BOARD

MAJOR COMMITMENTS & COMPELLING ITEMS

MAJOR EXPENDITURE COMMITMENTS	\$163,535,268
-------------------------------	---------------

COMPELLING ITEMS	<u>171,976,962</u>
------------------	--------------------

TOTAL MAJOR COMMITMENTS & COMPELLING ITEMS	<u><u>\$335,512,230</u></u>
---	-----------------------------

STRATEGIES FOR IMPLEMENTATION

STRATEGY #1

Concentrate on Measuring Outputs Rather Than Inputs.

ACTION: Performance Measures.

ACTION: Condense Format Used in Budget.

STRATEGY #2

Review all Budget Provisos and Eliminate Needless Ones.

ACTION: Forthcoming.

STRATEGY #3

Encourage Agencies to Save Funds Rather Than Spend Them.

ACTION: Develop Methodology for Prioritizing Mid-Year Cuts.

ACTION: Allow Carry-Forwards with Limitations.

STRATEGY #4

Develop a System for Certifying Revenue Enhancements.

ACTION: Require BEA Certification for All Revenue Enhancements.

03509

EXHIBIT

NOV 10 1992

23

STATE BUDGET & CONTROL BOARD