

MINUTES OF  
Budget and  
Control Board  
Meeting  
*August 18, 1981*

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MINUTES OF BUDGET AND CONTROL BOARD MEETING

AUGUST 18, 1981

The Budget and Control Board met at 9:00 A. M. on Tuesday, August 18, 1981, in 219 Edgar A. Brown Office Building for the purpose of beginning the plan/budget requests review process relating to fiscal year 1982-83 with the following members in attendance:

Governor Richard W. Riley  
Mr. Grady L. Patterson, Jr.  
Mr. Earle E. Morris, Jr.

Senator Rembert C. Dennis and Representative Tom G. Mangum were absent.

Governor Riley opened the meeting by noting that these hearings are a final step before the Budget and Control Board makes its allocation decisions on the 1982-83 budget. He noted that the seven percent personal service reduction recommendation of the Board which was generally sustained by the General Assembly helps in preparing the 1982-83 budget. He noted that the picture today is not any better than last year and that the State faces another tight financial situation. He pointed out that numerous meetings have been held in recent months with agency heads and Board members to apprise them of this situation. Governor Riley expressed the view that what now must happen is that the State must grapple with a reduction in the basic budget and that it is critical to analyze the reduction plans requested of the several agencies. He urged that the Board continue its firm policy of not replacing lost federal dollars with State funds. He also noted that the largest percentage increase in the requests for 1982-83 is for debt service. He expressed the

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view that it is ill-advised to continue with capital expansion projects and asked the Budget and Control Board to consider seriously freezing any further issues of bonds during the current fiscal year. He concluded his remarks by stating that now is the time to stop talking about controlling growth in the State government and to start doing something about it.

A review of the State's financial outlook was presented by Board of Economic Advisors Chairman James A. Morris which indicates that there is a basis for concern about the revenue estimate for the current fiscal year (1981-82) because of the revenue shortfall in 1980-81 and the continued slow consumption pattern. Dr. Morris also called attention to the erosion of the tax base because of numerous legislative decisions such as the indexing of income taxes, the elimination of the sales tax on energy and the easing of depreciation schedules for business. Dr. Morris' report also noted that the estimate for the current fiscal year is to be re-examined when the official estimate for next year is due in October. He concluded his report by presenting a figure of \$2,093,000,000 as the Board of Economic Advisors' initial estimate of general fund revenues for 1982-83.

Board of Economic Advisors members Robert C. Wasson, Barbara Feinn and E. A. Laurent indicated their agreement with the estimate presented by Dr. Morris.

Grants Services Administrator George Oliver reviewed the federal funding outlook and estimated that the state will receive some \$81.5 million less from federal sources during 1981-82 and some \$43.1 million less in 1982-83. He indicated that additional reductions are in prospect if the program of the Reagan administration is followed.

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State Auditor Vaughn then presented an overview of requests for 1982-83 and statewide budget issues. He noted that requests and other needs for 1982-83 amount to approximately \$2.4 billion with the prospect for revenues being somewhat under \$2.1 billion for a negative balance of some \$314 million. He noted that the revenue estimate for 1982-83 indicates that the increase above 1982 will be approximately \$175 million.

Mr. Vaughn noted that the 1982-83 spending limit is approximately \$2.1 billion which is only some \$54 million above the revenue estimate.

Mr. Vaughn called attention to the eleven largest agencies or categories within the budget which together represent some 86.3% of the total budget and he noted that 123 other agencies represent the remaining 13.7%. He emphasized that, if large reductions in the budget are to be accomplished, they will have to come from the eleven agencies or categories representing the bulk of the money in the budget.

Mr. Vaughn then reviewed a listing of predetermined needs which, when a seven percent base pay increase and a three and a half percent merit pay increase are included, represent about \$244.6 million. He cited \$41.8 million of employee benefits adjustments and presented, as illustrations, several options for dealing with the aid to subdivisions category. Mr. Vaughn noted that a twenty-seventh bi-weekly payroll will occur in 1982-83 unless modifications to payroll schedules are made and he estimated that this additional payroll would require about \$26 million. He explained that, beginning in 1972-73, adjustments were made in the payroll dates which meant that funding for personal service actually has been on a different fiscal year than the July 1 through June 30 period. He noted that the effect of this has been

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to finish each of the intervening fiscal years with an unfunded accrued liability. He suggested the possibility of converting to a semi-monthly payroll as a means of solving this problem without making provision for the additional \$26 million.

Mr. Patterson observed that the seven percent base pay increase and the merit pay increase for employees should be included with other pre-determined needs and should not be considered separate and apart from that category.

Mr. Vaughn concluded his presentation by reviewing the major budgeting options open to the Board including such items as increasing revenues, adjusting mandated precommitments such as the Education Finance Act or Aid to Subdivisions, shifts of expenditures within or between agencies to fund higher priority items and others.

At the conclusion of Mr. Vaughn's presentation, Governor Riley announced that the regular business meeting of the Budget and Control Board which had previously been scheduled for the mid-day break today had been cancelled and that the Board would meet at noon on August 19 for regular business purposes. He also announced that a meeting of the State Education Assistance Authority would be held at the conclusion of this morning session of the plan/budget requests review hearings.

[Secretary's Note: The Budget and Control Board meeting was recessed and a meeting of the State Education Assistance Authority was convened. At that meeting, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Authority adopted a series resolution providing for the issuance and sale of \$10,000,000 of Insured Student Loan Revenue Bonds.]

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The Board reconvened at 2:00 p.m. and heard reviews of the plan/budget requests of the Department of Mental Retardation, the Office of Attorney General, the State Library, and the School for the Deaf and the Blind.

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

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

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## ECONOMIC AND REVENUE OUTLOOK

August, 1981

The national and state economies continue to experience slow or negative growth conditions, based to a considerable degree on the effects of tightness in monetary policy necessitated by unacceptably high rates of inflation. The prospects for this quarter are for slightly negative real growth, but positive movements are expected in the fourth quarter, stimulated by tax cuts and by moderation in interest rates and in inflation. Production and employment should expand from that point onward, although unemployment will continue to cause problems and rates of inflation and interest will continue to be high by historical standards. The optimistic scenario, based on the prospects of success of the bold new tax and budget cutting programs of the administration, calls for above average growth from mid 1982 on, continued moderation in interest and inflation rates and a balanced budget by 1984.

The South Carolina economy should move with that of the nation, once stable growth rates are established. The immediate prospects are for sluggishness in growth until late this year, with a gradual pick-up from that point. The short term outlook for textiles is not too favorable, as the growing strength of the dollar and the weakness in European economies tend to retard exports and stimulate imports. The agricultural sector is strong, tourism holds up well and industrial development gains continue to be impressive considering the slowness in capital investment nationally. It can be anticipated that once a tempo of growth is re-established in 1982, the state's economy will again move forward at rates higher than the national average.

The outlook for revenues, after a year of comparatively slow growth, is for progress at a moderate pace, which should pick up momentum during Fiscal

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Year 1983. Presently there is a basis for concern about the revenue estimate for this year because of the shortfall in Fiscal Year 1981 and the continued slow consumption pattern. In addition there is some erosion of the tax base because of numerous legislative decisions such as indexation of income taxes, elimination of the sales tax on energy and easing of depreciation schedules for business. Federal budgeting and tax changes also have an effect such as a reduction in sales tax revenue as food stamp allocations are reduced. The Tax Commission estimates that the effect of these recent changes on Fiscal Year 1983 revenues will be \$31 million. There is an offset of several millions because of increases in miscellaneous departmental revenues but the impact of erosion of the tax base is significant and is compounded by the elimination of federal general revenue sharing.

A preliminary conclusion at this time, to be re-examined when the official estimate for next year is due in October, is that there is not an adequate basis for adjusting the Fiscal Year 1982 estimate. The initial estimate for Fiscal Year 1983 is for a total of general fund revenues of \$2 billion, \$93 million (\$2,093 million).

Board of Economic Advisors

JAM/lc

8/18/81

## EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## TOTAL REQUEST

FY 1982-83 GENERAL FUND

AGENCY BUDGET REQUEST	2,390,916,937
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OTHER KNOWN NEEDS	<u>16,496,404</u>
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TOTAL	2,407,413,341
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REVENUE	2,093,000,000
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BALANCE	<314,413,341>
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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## TOTAL ESTIMATED REVENUE

FY 1982-83 (EST)	2,093,000,000
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FY 1981-82 (EST)	<u>1,917,900,000</u>
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REVENUE ABOVE 1982 AMOUNT	<u>175,100,000</u>
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REVENUE GROWTH TRENDS

	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
AMOUNT	1,106	1,277	1,427	1,598	1,727(E)	1,918(E)	2,093(E)
% CHANGE	14.59	15.44	11.71	12.00	8.07(E)	11.06(E)	9.12(E)
NEW MONEY ABOVE BASE	140	171	150	171	129	191	175

EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## STATUTORY SPENDING LIMITATION PRELIMINARY ESTIMATE

\$ 1,917,900,000

1981-82 ESTIMATED EXPENDITURE

X      1.1197

PERSONAL INCOME GROWTH

\$ 2,147,472,630

1982-83 SPENDING LIMIT

THREE YEAR AVERAGE PERSONAL INCOME GROWTH FOR  
CALENDAR YEARS 1979, 1980 AND 1981.

SOURCE: S.C. DIVISION OF RESEARCH & STATISTICS.

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## EXPENDITURE LIMITATION

EXPENDITURE LIMIT *	2.147 BILLION
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ANTICIPATED REVENUE, 1982-83	2.093 BILLION
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AVAILABLE REVENUE GROWTH WITHIN LIMIT	54 MILLION
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\* SOURCE: DIVISION OF RESEARCH & STATISTICS

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MAJOR GENERAL FUND ALLOCATIONS BY AGENCY  
(IN MILLIONS AND AS % OF TOTAL)  
FY 81-82 TOTAL APPROPRIATION \$1,917.9

DEPT OF EDUCATION	HIGHER EDUCATION	DSS	AID TO SUB- DIV.	DEBT S E R V I C E	M E N T A L H E A L T H	T E C H & C O M P E D U C A T I O N	D H E C	C O R R E C T I O N S	M E N T A L R E T A R D A T I O N	C L E M S O N P S A	ALL OTHER AGENCIES (123 TOTAL)
716.3	282.2	131.0	115.4	94.6	80.7	56.8	55.2	50.5	48.7	24.0	262.5
37.3%	14.7%	6.8%	6.0%	4.9%	4.2%	3.0%	2.9%	2.6%	2.5%	1.3%	13.7%

HIGHEST 10 AGENCIES PLUS ALL HIGHER  
EDUCATION \$1655.4 86.3%

STATE BUDGET & CONTROL BOARD

AUG 18 1981 NO. 1

EXHIBIT

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# EXHIBIT

AUG 18 1981 NO. 1

## PREDETERMINED NEEDS

STATE BUDGET & CONTROL BOARD

AID TO SUBDIVISIONS (MAINTAIN 70% LEVEL)	\$ 20,365,643
DEBT SERVICE	31,400,000
CONTRIBUTION TO RESERVE FUND	6,450,000 *
EMPLOYEE BENEFITS ADJUSTMENTS	41,871,061
EDUCATION FINANCE ACT	69,740,664
RENT INCREASES - STATE OWNED PROPERTY	1,864,739
RENT INCREASES - NON-STATE OWNED PROPERTY	373,927
WORKMEN'S COMPENSATION AGENCY OPERATIONS	727,413
ANNUALIZATION/NEW FACILITIES-DMR/PAROLE	1,267,130
ANTICIPATED NEW FACILITIES-CORRECTIONS	2,515,995
MENTAL HEALTH-PAYING PATIENTS ACCOUNT	7,564,188
HIGHER EDUCATION - DESEGREGATION PLANS	2,349,079
OTHER REQUIRED ANNUALIZATIONS	<u>205,393</u>
	186,695,232
ESTIMATED BASE PAY/MERIT INCREASE (7% BPI - 3½% MERIT)	<u>57,942,587</u>
TOTAL.....	\$ 244,637,819

\* NOT ADJUSTED FOR REPLACEMENT OF ANY YEAR END DEFICIT  
IN FY 1980-81.

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# EXHIBIT

EMPLOYEE BENEFITS ADJUSTMENTS AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

ANNUALIZE BPI (81-82)	\$ 5,458,598
ANNUALIZE MERIT (81-82)	9,334,878
ANNUALIZE 20% NEW POSITIONS	1,556,389
EMPLOYER CONTRIBUTIONS	2,130,305
RETIREMENT CONTRIBUTIONS	339,703
RETIREEES SUPPLEMENT	360,000
SOCIAL SECURITY CONTRIBUTIONS	
STATE EMPLOYEES	145,000
SCHOOL EMPLOYEES	205,623
HEALTH INSURANCE CONTRIBUTIONS	
STATE EMPLOYEES	7,154,600
SCHOOL EMPLOYEES	9,846,891
RETIREEES	2,939,074
WORKMEN'S COMPENSATION AND UNEMPLOYMENT CONTRIBUTIONS	
STATE EMPLOYEES	<u>2,400,000</u>

TOTAL.....\$41,871,061

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## AID TO SUBDIVISIONS OPTIONS

CURRENT FY 81 - 82 COMMITMENT

\$ 115,371,123

FY 82 - 83 OPTIONS

REQUIRED ADDITIONAL FUNDS

70% LEVEL \$135,736,766

\$ 20,365,643

75% LEVEL \$137,960,880

\$ 22,589,757

80% LEVEL \$140,195,118

\$ 24,823,995

SOURCE: S.C. DIVISION OF RESEARCH & STATISTICS

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27 TH BI-WEEKLY PAYROLL WILL OCCUR IN FY 82-83 UNLESS MODIFICATIONS

TO THE PAYROLL SCHEDULES ARE MADE. POTENTIAL ADDITIONAL APPROPRIATION

NECESSARY TO FUND THIS ADDITIONAL BI-WEEKLY PAYROLL IS APPROXIMATELY

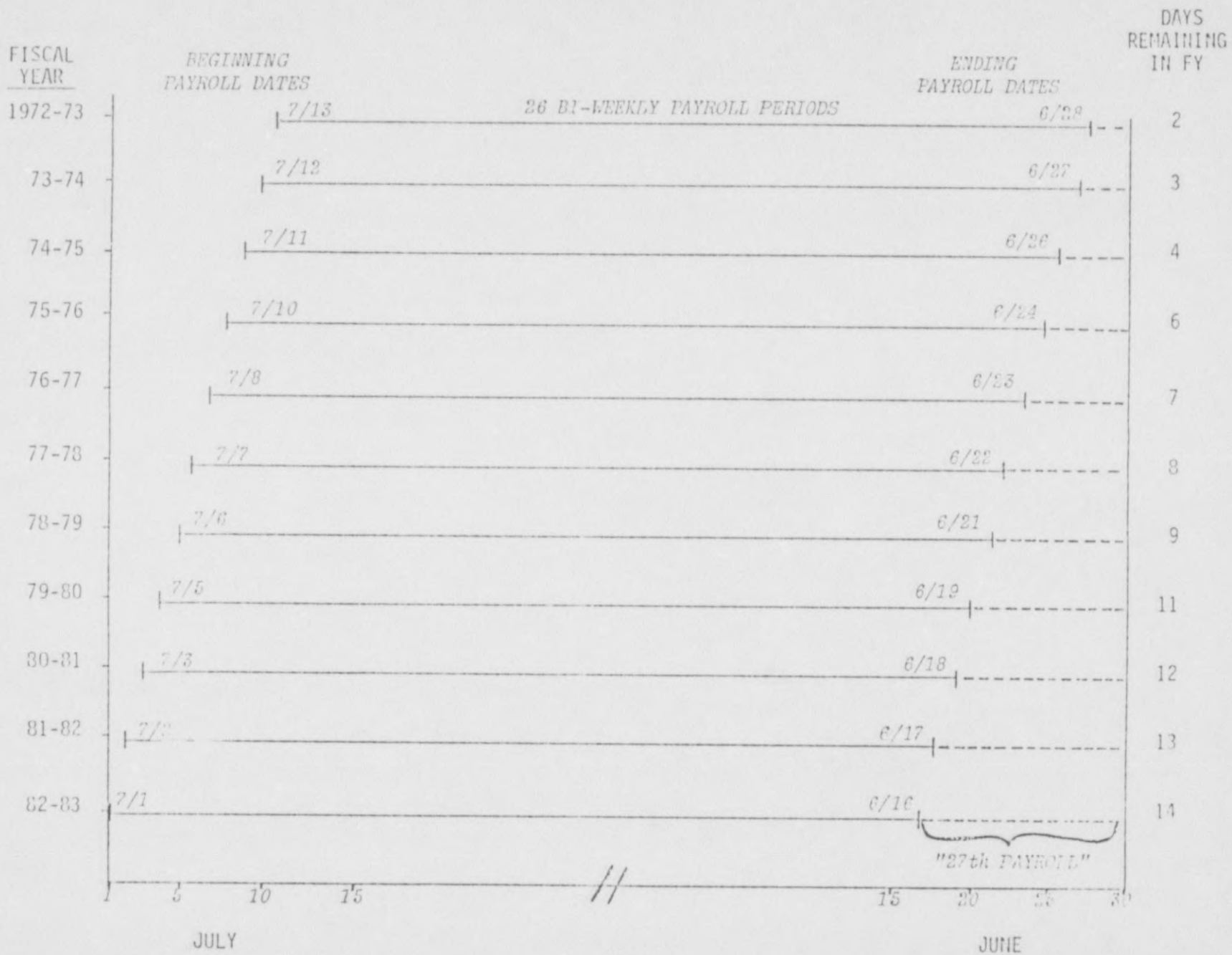
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EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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AN EMPLOYEE BEING PAID \$ 26,000 ON JULY 1, 1982 WOULD BE TREATED  
EQUALLY UNDER A BI-WEEKLY OR SEMI-MONTHLY PAYROLL SYSTEM

BI-WEEKLY

1ST PAYROLL - JULY 1, 1982 \$ 1,000  
27TH PAYROLL - JUNE 30, 1983 1,000  
TOTAL PAYOUT - FY 82-83 \$ 27,000

SEMI-MONTHLY

1ST PAYROLL - JULY 1, 1982 \$ 1,083  
24TH PAYROLL - JUNE 15, 1983 1,083  
TOTAL PAYOUT - FY 82-83 \$ 26,000

NOTE:

THE EMPLOYEE PAID UNDER THE SEMI-MONTHLY SYSTEM  
EARNS \$ 26,000 BY JUNE 15, 1983. ON JUNE 30, 1983,  
HE HAS EARNED ANOTHER \$ 1,083 WHICH WILL BE PAID ON  
JULY 1, 1983

EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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BUDGET PROJECTIONS

1982 - 83

REVENUE

1982-83 GENERAL FUND REVENUE 2,093,000,000

LESS: 1981-82 EXPENDITURES (EST.) 1,917,900,000

BALANCE 175,100,000

PREDETERMINED NEEDS EXCLUDING PAY ADJUSTMENTS 186,695,232

BALANCE < 11,595,232 >

ESTIMATED BASE PAY-MERIT ADJUSTMENT (7%-3½%) 57,942,587

BALANCE < 69,537,819 >

ESTIMATED COST OF 27TH PAYROLL 26,088,000

NET POTENTIAL SHORTFALL < 95,625,819 >

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MAJOR BUDGETING OPTIONS

INCREASE REVENUE - TAX INCREASES, DEFERRAL OF TAX RELIEF  
MEASURES, OTHER REVENUE-GENERATING ALTERNATIVES

MAJOR ISSUE OPTIONS - STATUTORY OR POLICY CHANGES AFFECTING  
MANDATED "PRECOMMITMENTS" (EFA, AID TO SUBDIVISIONS, ETC.)

REALLOCATION - EXPENDITURE SHIFTS WITHIN OR BETWEEN AGENCIES  
TO FUND HIGHER PRIORITY ITEMS

TARGETED CUTS OR STATEWIDE PERCENTAGE REDUCTIONS IN FY 81-82  
AND/OR FY 82-83

ELIMINATION, REDUCTION OR CONSOLIDATION OF PROGRAMS  
AND/OR AGENCIES

TEMPORARY BUDGET FREEZES - IN EXPENDITURES AND CAPITAL  
IMPROVEMENTS FOR FY 1981-82 AND FY 1982-83

ELIMINATION OF ONE-TIME EXPENDITURES FROM CURRENT  
EXPENDITURE BASE

SOUTH CAROLINA  
IMPACT OF PROPOSED FEDERAL FUND REDUCTIONS  
FISCAL YEARS 1981-82 AND 1982-83

	<u>TOTAL REDUCTIONS</u>
I. EXECUTIVE AND ADMINISTRATIVE	\$44,554,000
II. EDUCATIONAL DIVISION	33,025,000
III. HEALTH DIVISION	11,316,000
IV. SOCIAL AND REHABILITATION SERVICES	27,728,000
V. CORRECTIONS	1,100,000
VI. CONSERVATION AND NATURAL RESOURCES	3,579,000
VII. REGULATORY DIVISION	<u>3,462,000</u>
 TOTAL	 \$124,764,000

EXHIBIT

AUG 18 1981      NO. 1

STATE BUDGET & CONTROL BOARD

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## SOUTH CAROLINA STATE LIBRARY 1982-83 BUDGET REQUEST

SERVING SOUTH CAROLINA GOVERNMENT  
SERVING SOUTH CAROLINA CITIZENS  
SERVING SOUTH CAROLINA LIBRARIES

02718

SOUTH CAROLINA STATE LIBRARY  
1982-83 BUDGET REQUEST

1981-82 General Fund Appropriation	\$3,373,057
1982-83 Additional Increase Requests	\$1,276,593

STATE LIBRARY SERVICES

1. Administration       \$ 34,000  
To restore to State funds certain basic operating costs.
2. Technical Services   \$130,112  
To restore book budget to FY 75 level.
3. Reader Services       \$ 31,030  
To restore research librarian position to State funds and to provide funds for postage.
4. Administration       \$ 55,580  
To meet increased costs for building rental and maintenance.
5. Administration       \$ 20,683  
To adjust salaries for reclassified personnel.
6. Administration       \$ 4,000  
To cover total public information program.

BLIND AND PHYSICALLY HANDICAPPED SERVICES

1. Building               \$171,000  
To provide rental funds to increase library for blind and physically handicapped building.
2. Personal Services     \$ 10,602  
To create new clerk position at library for blind and physically handicapped.

COOPERATIVE LIBRARY NETWORK     \$100,000

To finance planning and design study.

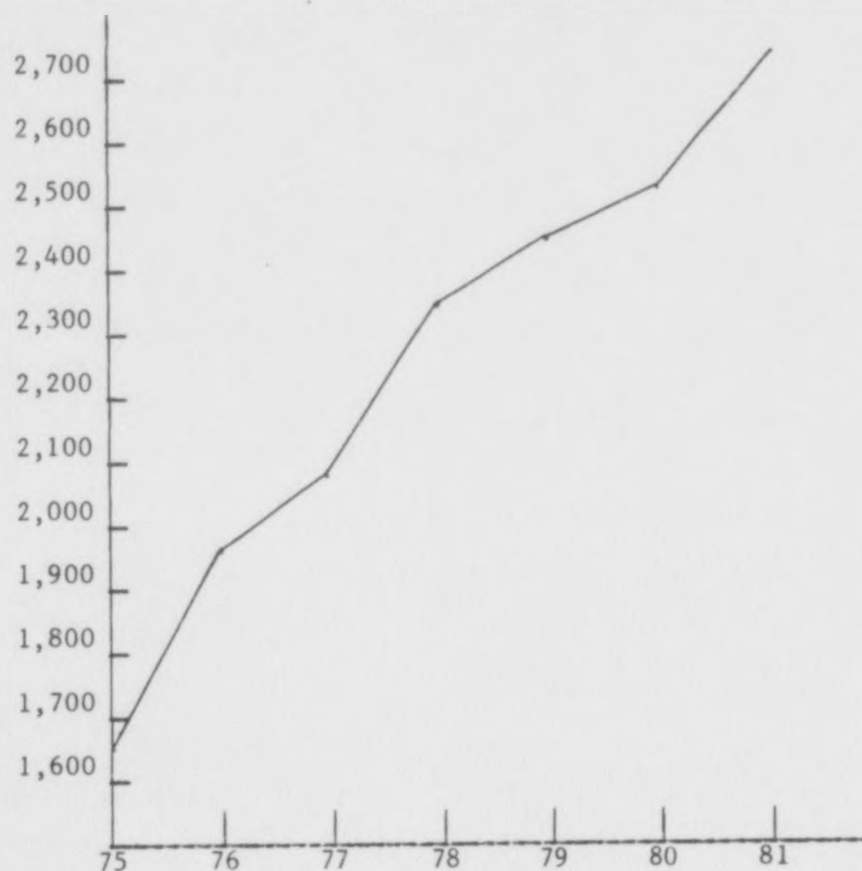
STATE AID                         \$779,802

To increase State Aid for public libraries to \$1.00 per capita.

02719

SOUTH CAROLINA STATE LIBRARY

SERVICE TO STATE GOVERNMENT  
REFERENCE TRANSACTIONS



<u>Year</u>	<u>Transactions</u>
1975	16,507
1976	19,759
1977	20,937
1978	23,895
1979	24,920
1980	25,258
1981	27,513

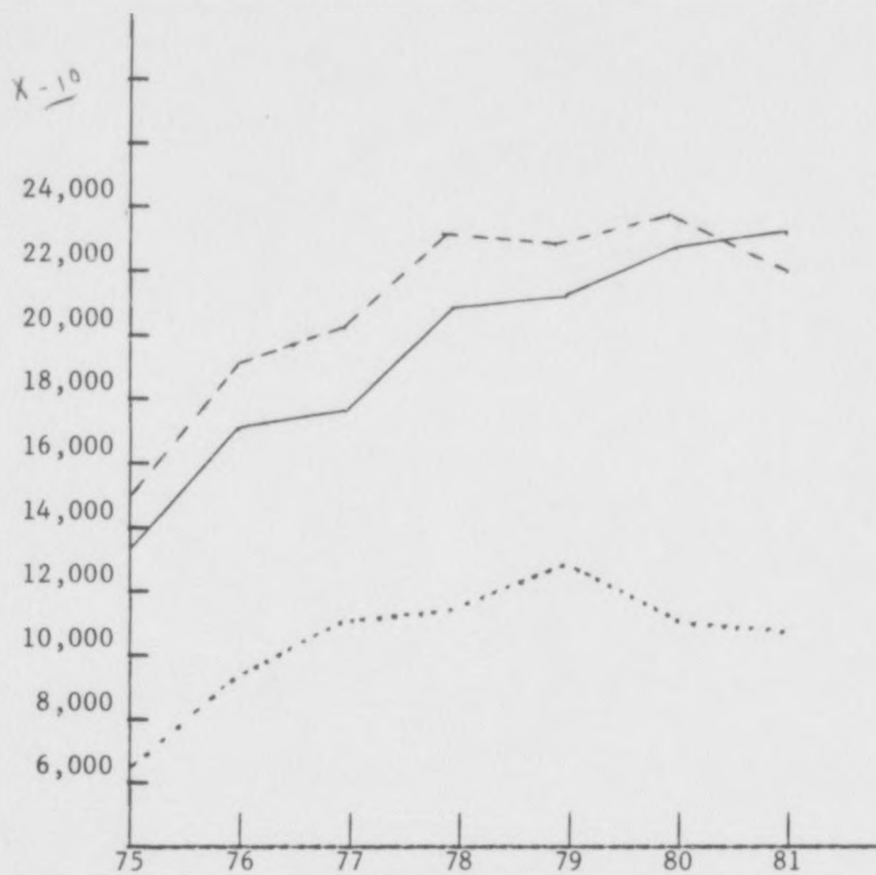
In this time period service to State government by the State Library has increased 64%.

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SOUTH CAROLINA STATE LIBRARY

SERVICES TO LIBRARIES



Interlibrary Loan Service

—— Requests  
----- Books loaned  
..... Photocopies sent

In this time period service to libraries has increased 61%.

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SOUTH CAROLINA STATE LIBRARY  
FY 1982

State Funding

APPROPRIATION	\$ 3,373,057	
STATE AID	-2,339,406	69%
	<hr/>	
OPERATING BUDGET	\$ 1,033,651	31%

Sixty-nine percent of the funds in the State Library's budget are for State Aid to the public libraries in the State. Only thirty-one percent is held for use by the State Library.

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## SOUTH CAROLINA STATE LIBRARY FY 1982

### State Funding

OPERATING BUDGET	\$ 1,033,651
PERSONAL SERVICES	- 724,109
RENT - STATE	- 165,538
RENT - NON-STATE	- 44,763
EARLY CHILDHOOD EDUCATION MEDIA CLEARINGHOUSE	- 25,893
	<hr/>
AVAILABLE FUNDS	\$ 73,348

Most of the funds available to the State Library for operations are fixed costs over which the agency has no control, leaving two percent of the budget for all other operating costs.

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SOUTH CAROLINA STATE LIBRARY  
FY 1982

State Funding

\$73,348 must cover

Books  
Postage  
Telephone  
Gasoline  
Travel  
Printing  
Insurance  
Equipment  
Supplies

Two percent of the budget must cover all of the above items. Without Federal funds to supplement State funds the State Library would not be able to operate at its present level.

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SOUTH CAROLINA STATE LIBRARY

STATE APPROPRIATION FOR BOOKS

<u>YEAR</u>	<u>STATE LIBRARY BOOK BUDGET</u>	<u>NUMBER OF BOOKS</u>
1975	\$77,000	4,756
1976	\$24,121	1,387
1977	\$24,121	1,203
1978	\$48,308	2,503
1979	\$41,643	1,826
1980	\$33,419	1,273
1981	\$36,690	1,557

The State Library has been meeting increases in demand with fewer State funds for materials. Without Federal funds to supplement the book budget the State Library would not be able to meet the informational needs of State government and the citizens of South Carolina.

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# EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

## SOUTH CAROLINA STATE LIBRARY

FY 1982

### Dependence on Federal Funds

	<u>STATE FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>12 MONTHS TOTAL</u>
Postage -			
General Operating	0	8,166	8,166
Interlibrary Loan	0	1,500	1,500
Telephone -			
State Library	4,545	7,762	12,317
Blind & Physically Handicapped	3,100	3,800	6,900
Gasoline	1,700	1,300	3,000

In many essential areas the State Library is overly dependent on Federal funds. These funds are due to expire in FY 82 so it is essential that State funds be provided to replace them.

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SOUTH CAROLINA STATE LIBRARY

STATE FUNDS FOR EDUCATION

	ANNUAL COST PER CAPITA/STUDENT	NUMBER OF YEARS	TOTAL
K-12	\$ 986	13	\$13,845
Four Year College	\$3,000 (avg.)	4	\$12,000
Public Library	\$ .75	70	\$ 52.50

Education is a life-long process. Public libraries have been called people's universities. They are the only educational agencies open to all citizens regardless of educational level, ability to pay, or location. South Carolina provides \$52.50 for the life-long education available at its public libraries from birth to age 70. Once formal education is completed at a cost of \$25,845, the State spends only \$37.50 to continue the education process.

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SOUTH CAROLINA STATE LIBRARY

COMPARATIVE BOOK BUDGETS

State Supported  
2 year colleges  
(\$165,011)

Serves 2,214 students  
\$74.98 per student

TEC Libraries  
(\$752,672)

Serves 37,127 students  
\$20.26 per student

State Library  
(\$ 36,690)

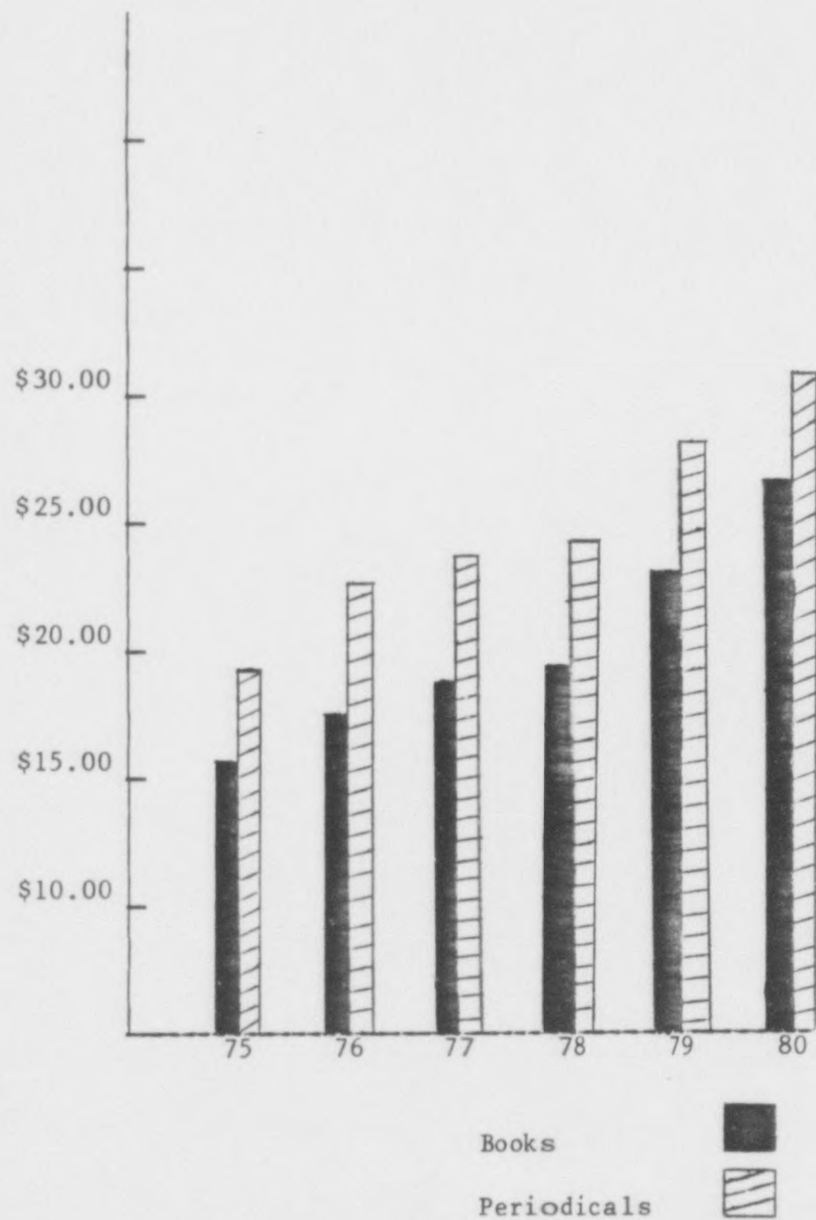
Serves 3,119,208 citizens  
\$ .01 per capita

The State Library's book budget is equal to little more than one cent per capita for books for a collection serving a state-wide audience. Yet the State spends \$20.26 per TEC student and \$74.98 for each student enrolled in a State supported two year college for library materials.

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SOUTH CAROLINA STATE LIBRARY

COST OF BOOKS AND PERIODICALS



Inflation has had a devastating effect on the publishing industry. Publishers project an average annual increase of 12% in book prices.

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SOUTH CAROLINA STATE LIBRARY

BLIND AND PHYSICALLY HANDICAPPED  
SPACE NEEDS

Present Location	5 years	10 years	20 years
8,050 sq. ft.	16,002 sq. ft.	18,422 sq. ft.	24,050 sq. ft.

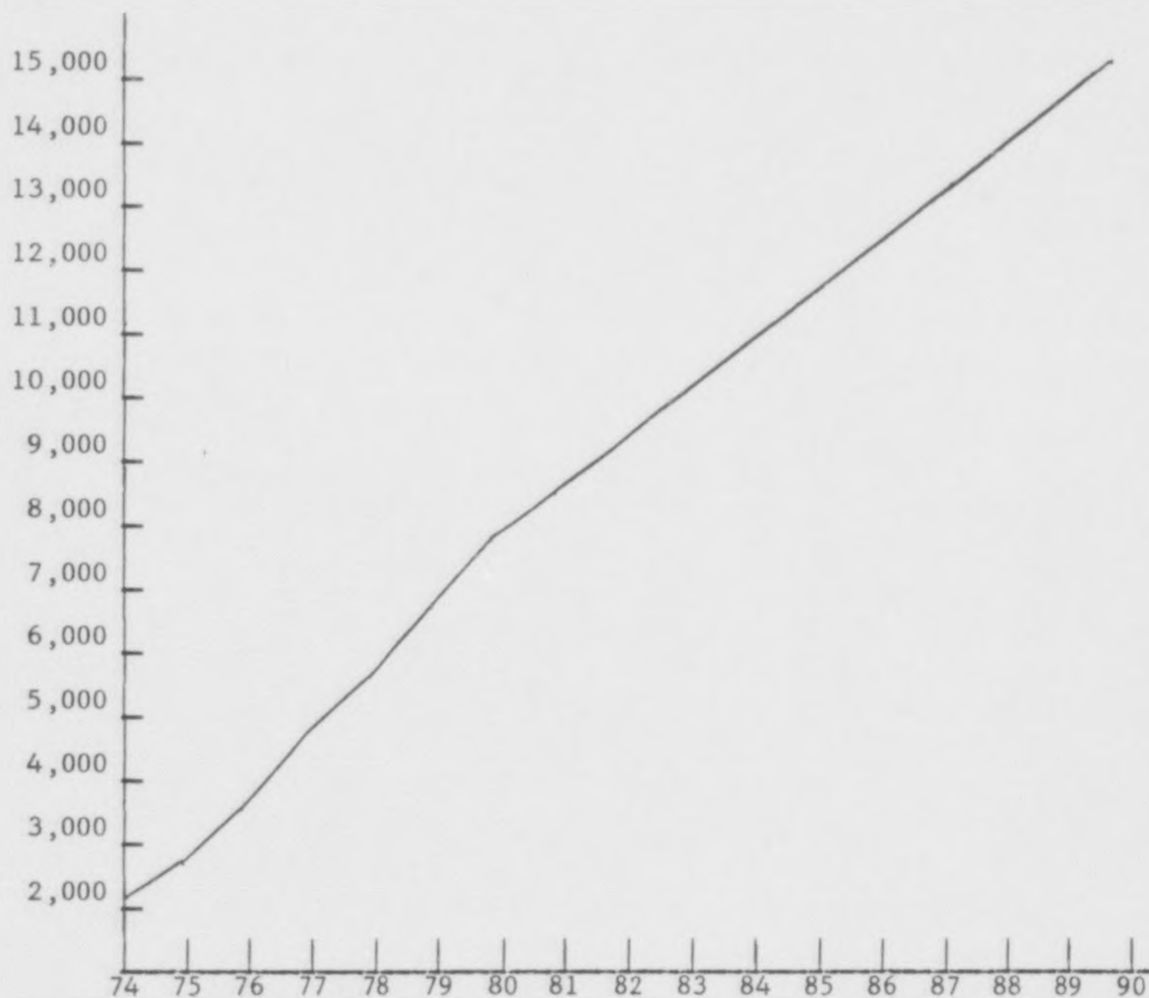
The Library for the Blind and Physically Handicapped has space for one year's growth. After that year service will be affected due to less room to house materials, equipment, and supplies. Space projections are based on recently adopted American Library Association Standards.

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SOUTH CAROLINA STATE LIBRARY  
BLIND AND PHYSICALLY HANDICAPPED

CURRENT SERVICE AND PROJECTIONS  
TO 1990

READERS



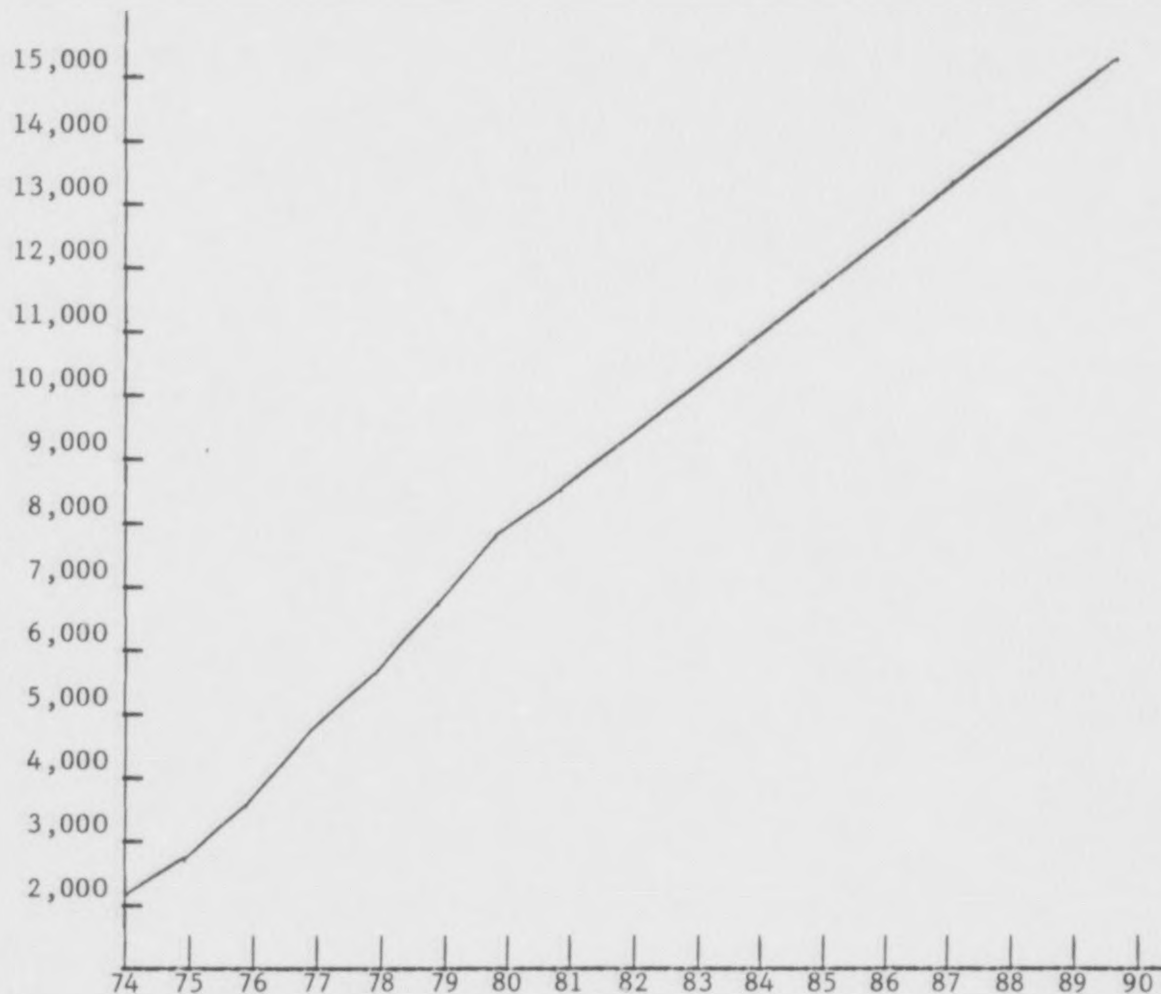
The Library of Congress estimates 40,550 South Carolinians are eligible for this library service. It is anticipated that the number of people using this service will continue to rise, probably stabilizing at about 15,000, as the handicapped population becomes aware of the services available to it. The increase in the size of the aged population will also add to the list of potential patrons.

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SOUTH CAROLINA STATE LIBRARY  
BLIND AND PHYSICALLY HANDICAPPED

CURRENT SERVICE AND PROJECTIONS  
TO 1990

READERS



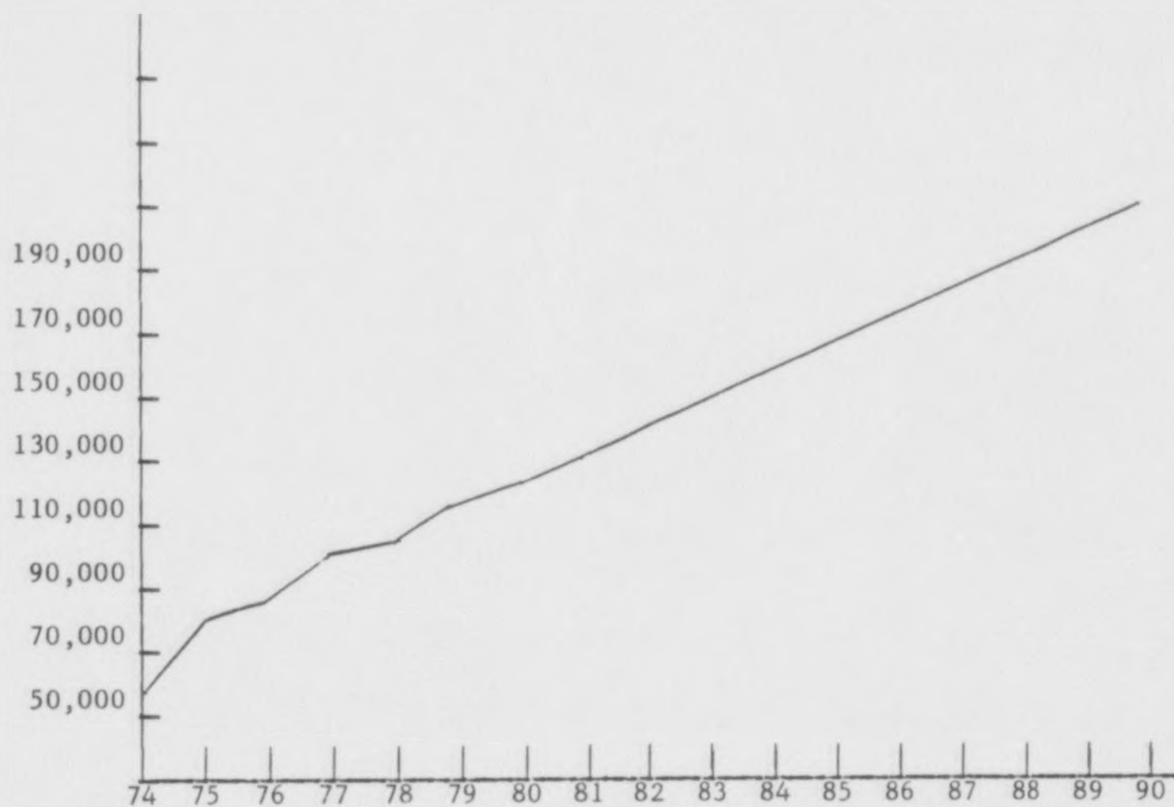
The Library of Congress estimates 40,550 South Carolinians are eligible for this library service. It is anticipated that the number of people using this service will continue to rise, probably stabilizing at about 15,000, as the handicapped population becomes aware of the services available to it. The increase in the size of the aged population will also add to the list of potential patrons.

02731

SOUTH CAROLINA STATE LIBRARY  
BLIND AND PHYSICALLY HANDICAPPED

CURRENT SERVICE AND PROJECTIONS  
TO 1990

CIRCULATION



As the readership grows the circulation of materials will grow proportionately.

02732



## SOUTH CAROLINA STATE LIBRARY

### South Carolina Cooperative Library Network

It is not economically feasible for any library to have all of the materials necessary to meet the needs of its users. Only by sharing of resources can South Carolina libraries provide the services that citizens need and demand. A state-wide library network utilizing computer and communications technology would enable libraries of all types to cooperate to meet the needs of the public.

In June 1981 a library consulting firm began a four month study on the feasibility of establishing and operating a state-wide library network. This study, which has the support of library leaders in all types of libraries, will identify the potential functions of such a network, the products and services to be derived from it, and the probable costs of alternative network approaches.

A priority aim of the study is to improve access to library resources throughout the state by building a total state-wide interlibrary loan network of libraries of all types. Other applications of the bibliographic data base, such as acquisitions, circulation, and serials control, will be examined. Recommendations will be focused on insuring that local activities are developed compatible with state and national networking plans whenever practicable and that unnecessary duplication of effort and cost be avoided.

The State Library is requesting \$100,000 in FY 83 to finance the planning and design study of this network.

EXHIBIT

AUG 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

02733

## PUBLIC LIBRARY STATE AID FACT SHEET

Public Libraries in South Carolina request that the South Carolina General Assembly increase State Aid to public libraries from the current 75¢ per capita to \$1.00 per capita. The importance of public libraries in South Carolina has long been recognized. Section 1 of 1978 Act No. 564 states: "The General Assembly finds that county public libraries make a substantial contribution to the education and recreation of the residents of the State and merit the continued interest and support of State and local government." Governor Richard Riley, in his letter of greetings to the Charleston County Library on the occasion of their fiftieth anniversary in March of 1981, said, "A library is one of the most important gifts any community can offer its citizens."

The public library is the only educational and informational institution available to the entire population of the state. Any citizen, regardless of whether he or she is registered in a school, college, or technical school, can use the public library. While public libraries are a vital adjunct of the educational system of the state, only 16.1% of their combined local and state support comes from the state. This percentage is virtually unchanged from the 15.4% in 1969-1970. Public schools receive approximately 45% of their combined local and state funding from the state.

While state aid to public libraries amounts to 75¢ per capita, with these funds being used for books, periodicals, personnel, bookmobile operation, and other services, state funding for library book budgets alone at state technical schools amounts to \$20.26 per student, with the per-student figure at state two-year college being \$74.98. After students complete their education at these institutions of learning, the public library is the main educational institution available to them the remainder of their life. Considering this, we feel state funding should be increased for public libraries.

Funding for public libraries varies greatly among our counties. Adequate state aid is vital in order that basic library service be available in each county. Presently, Greenville County is providing \$6.97 per capita local support for their public library whereas Williamsburg County's local support is 88¢ per capita (based on 1980 census). Statewide, the average per capita local support in FY 1981 for public libraries was only \$3.24, far below the average cost of a book, \$23.57, or the average cost of a magazine subscription, \$34.54. Only eleven of the 46 counties in the state reached the average per capita local funding. The other 35 counties provide local funding at a rate below \$3.24. Local funds are generated largely from property taxes, and the income from these varies greatly from county to county.

During the past few years, the cost of books and magazines has been increasing at the rate of about 12% annually, but in 1980, the actual amount of money spent for materials declined by 2% over 1979. All indications point to a considerable drop in expenditures for books, magazines, and materials during the 1981-1982 fiscal year. In 1980, public libraries in South Carolina bought 255,855 books, 18,608 less than purchased in 1977.

Increases in state aid have always resulted in substantial and direct improvements in library services in all forty-six counties of the state. Historically, such increases have resulted in major increases in library book budgets. At only 1.29 books per capita, South Carolina Public Libraries need this requested \$3,119,208.00 to maintain basic services to our state's residents who checked out 8,200,474 books during the 1979-1980 fiscal year.

EXHIBIT

AUG 18 1981

NO. 1

STATE BUDGET & CONTROL BOARD

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**THE END**

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