

MINUTES OF  
BUDGET AND CONTROL BOARD  
MEETING

October 21, 1986

State of South Carolina  
**State Budget and Control Board**

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



Box 12444  
Columbia  
29211

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

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

October 22, 1986

MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Summary of Board Actions at October 21, 1986, Meeting

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

1. Approved the minutes of the September 23, 1986, meeting;
2. Approved the following:
  - (a) An easement agreement between the South Carolina Wildlife and Marine Resources Department and the Oak Grove Land Company which would allow the Oak Grove Land Company to install and maintain an eight-inch sanitary sewer line with manholes at Lake Oak Grove in Greenville County;
  - (b) A right-of-way easement from Clemson University to South Carolina Electric and Gas Company covering a portion of the Sandhill Research and Education Center to serve the North Crossing Subdivision;
  - (c) A right-of-way easement from Wil Lou Gray Opportunity School to Southern Bell to install telephone equipment across 10 acres in Lexington County; and
  - (d) A right-of-way easement to the City of Anderson to construct, install, operate and maintain an aerial sewer line across Rocky River in Anderson County;
3. Received as information a report that the study of lease purchase and other private funding mechanisms by the Board-Bond Committee appointees is underway with completion of the staff report scheduled for the end of November;
4. Received as information the Retirement Systems report on the establishment of a preferred provider organization which Retirement transmitted to the General Assembly in accord with Section 172 of the 1986-87 Appropriations Act;

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5. Received as information the Seventh Quarterly Report on Nelson Suit Compliance by the Department of Corrections;
6. Received as information a report that permanent improvement project actions included on Summary 8-87, items 4 through 7, and 9 (involving The Citadel, College of Charleston, Francis Marion, and Medical University) had been reviewed favorably by the Joint Bond Review Committee and approved by staff;
7. Received as information a report that permanent improvement project actions included on Summary 8-87, items 14 through 24 (involving College of Charleston, USC-Columbia, TEC, DHEC, Criminal Justice Academy, Forestry and Wildlife & Marine Resources) had been approved by staff and that Joint Bond Review Committee review is not required;
8. Received as information an invitation to and an agenda for the 1986 Agency Directors Conference to be held December 9-12 at Hilton Head Island;
9. Received as information a report that, following published reports of the movement of the East Deck of the Williams-Brice Stadium during the Nebraska game, the Insurance Reserve Fund plans to participate with USC in an engineering inspection of the Stadium, after Board members admonished staff to be certain this serious problem is reviewed thoroughly;
10. Authorized (a) the Asbestos Abatement Task Force to finalize the survey of State-owned buildings to identify those with asbestos; (b) the use of previously-authorized bond funds to cover costs associated with this identification process and for highest priority abatement projects; (c) the retention in reserve of the \$10,000,000 loan authorization for emergency abatement situations; and (d) a required worker training program coordinated by General Services;
11. Received as information a status report on revenue collections for 1986-87 which showed actual collections of \$698.1 million compared to estimated collections of \$724.6 million for 96.3% attainment;
12. Adopted in principle the Building Energy Standards proposed by the S. C. Energy Office and referred them to the Executive Director's Office for study and recommendations by the Board's second meeting in November 1986;
13. Approved the Department of Mental Retardation request to transfer \$1,221,574 from personal service funds to other operating expenses and to delete 103 associated FTE positions (97 immediately and 6 January 1, 1987);

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14. Allocated \$1,541.67 from the Civil Contingent Fund to the Sentencing and Guidelines Commission to pay costs incurred in closing the agency;
15. Approved the payment of not to exceed \$50,000 from the Workers' Compensation Fund for an actuarial examination of the Fund (an increase from the \$30,000 approved August 13);
16. Approved the following rural improvement funds grants: (a) Town of Lincolnville, \$39,000; and (b) Spartanburg County, \$40,000 on behalf of the Meansville-Riley Road Water Company;
17. Approved the conveyance of the Old North Charleston Armory to the City of North Charleston;
18. Adopted procedures on the sale of surplus State-owned property to retiring employees;
19. Approved the trade-in value of \$50,718 for two 3705 communication controllers to be applied by the Division of Information Resource Management on the acquisition of two 3726 IBM communication controls at a cost of \$287,791;
20. In accord with Consolidated Procurement Code Section 11-35-1210, granted certification to the Workers' Compensation Commission within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for two years: Goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$5,000 per purchase commitment;
21. In accord with Consolidated Procurement Code Section 11-35-1210, granted certification to Francis Marion College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$20,000 per purchase commitment; and construction services, \$25,000 per purchase commitment;
22. In accord with Consolidated Procurement Code Section 11-35-1210, granted certification to Lander College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services, \$20,000 per purchase commitment; consultants, \$10,000 per purchase commitment; construction services, \$25,000 per purchase commitment; and information technology in accordance with the approved Information Technology Plan, \$10,000 per purchase commitment;

23. Authorized the Division of General Services/Insurance Reserve Fund (a) to notify Michigan Mutual, current tort liability insurance reinsurer, effective on or before November 1, 1986, that the State will reject proposed rates and will cancel coverage January 1, 1987; (b) to institute a program of self-insurance for the Tort Liability Program; (c) to seek a different reinsurance program designed to limit the State's maximum loss (referred to as "annual aggregate excess" or "stop loss" insurance); and (d) to employ five additional persons to administer the program;
24. Authorized staff to begin formal public review and comment on the regulations on local housing authority bond issues for multifamily housing by submitting them for publication in the State Register;
25. Approved the Family Farm Development Authority proposal to issue the following Agricultural Development Revenue Bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project: (a) James T. Sprouse, \$300,000; and (b) John C. Cato, \$175,000;
26. Reinstated the \$3,500,000 State Ceiling allocation (to expire December 31, 1986) for the Richland County Trinity Knoll project;
27. Approved the following permanent improvement project establishment requests and budget revisions which had been reviewed favorably by the Joint Bond Review Committee, with items 10, 11, 12 and 13 being subject to final sign-off by Property Management:

On Summary 8-87:

Item 1:

Agency: The Citadel

Project: 7885, McAlister Fieldhouse Conversion

Request: Increase budget to \$7,903,757.89

Amount: \$4,252,789.00

Source: Capital Improvement Bond funds

Purpose: The cost increase on this previously-approved project is attributed to additional code requirements, A/E fee additions, construction escalation since 1980 and the demolition of the pool. These capital improvement bond funds were not been included the Priority Group 9 release.

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Item 2:

Agency: The Citadel  
Project: Alumni Hall Renovation or Replacement  
Request: Establish project and budget  
Amount: \$4,566,000  
Source: Capital Improvement Bond funds  
Purpose: For demolition of 1922 Alumni Hall and construction of a 49,400 square foot, four-story building for Physics and Electrical Engineering Departments. The agency is aware that these capital improvement bond funds were not included in the Priority Group 9 release.

Item 3:

Agency: The Citadel  
Project: Mark Clark Hall Addition & Renovation  
Request: Establish project and budget  
Amount: \$3,534,000  
Source: Other (Gifts) funds  
Purpose: To construct a 30,000 square foot, 3-story addition to house the Citadel Museum, the marching and bagpipe bands, and additional cadet recreational and meeting rooms. To renovate an existing 55,000 square foot, 22-year-old building to meet present needs for cadet recreation and service activities.

Item 8:

Agency: Lander College  
Project: Physical Education Complex  
Request: Establish project and budget  
Amount: \$10,027,000  
Source: Capital Improvement Bond funds  
Purpose: Construction of facilities for the academic programs in Health, Recreation and Physical Education for the intercollegiate and intramural athletic programs. This includes gymnasiums, classrooms, locker rooms, laboratories, faculty offices, meeting rooms, handball courts and a swimming pool. These funds become available first in Priority Group 10 (January-June 1987). The agency request is to gain approval of the establishment of the project so the A/E selection can proceed.

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Item 10:

Agency: Medical University  
Project: Red Cross Facility Purchase  
Request: Establish project and budget  
Amount: \$375,000  
Source: Excess Debt Service funds  
Purpose: The acquisition of the Red Cross Facility (approximately 0.50 acre) on Doughty Street near the central core of the Medical University's campus.

Item 11:

Agency: Wildlife & Marine Resources  
Project: Horry Co-Cartwheel Bay Land Acq  
Request: Establish project and budget  
Amount: \$400,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of four parcels of property (approximately 880 acres) to establish a South Carolina Heritage Preserve with access facilities for the public.

Item 12:

Agency: Wildlife & Marine Resources  
Project: Clarendon Co-Junkyard Bay Land Acq  
Request: Establish project and budget  
Amount: \$300,000  
Source: Other, (Heritage Land Trust Fund) funds  
Purpose: The purchase of five parcels of property (about 613 acres) in Clarendon County for a Heritage Preserve.

Item 13:

Agency: Wildlife & Marine Resources  
Project: Bamberg Co-Cathedral Bay Land Acq  
Request: Establish project and budget  
Amount: \$45,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of two parcels of property (about 67 acres) in Bamberg County to establish a S. C. Heritage Preserve with access facilities for the public.

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28. Approved the following project which was authorized specifically in Act 538 of 1986 and which did not require Bond Committee review:
- Agency: College of Charleston
  - Project: Craig Cafeteria Renovation and Expansion
  - Request: Establish project and budget
  - Amount: \$300,000
  - Source: Other (borrowed) funds
  - Purpose: To add 3,000 square feet of dining space (approximately 200 seats) to existing cafeteria to satisfy student needs.
29. Agreed to hold a regular meeting at 2 p.m. on Wednesday, November 5, 1986, in Room 148-149 of the Dennis Building;
30. Accepted Mr. Roy F. Hoyle's renunciation of rights to benefits payable on behalf of Dr. Larry D. Hoyle through the Retirement System and designated Mrs. Glenda A. Hoyle, wife, as beneficiary of all such retirement funds;
31. Approved a special salary adjustment for an unclassified Department of Agriculture employee effective October 21, 1986;
32. Approved salaries in excess of 97% of the MUSC President's salary for two unclassified MUSC employees, effective October 21, 1986; and approved a 50% salary increase for one unclassified MUSC employee, effective October 21, 1986; and
33. Ratified actions taken during executive session.

WAM/dw

04024

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

OCTOBER 21, 1986

10:00 A. M.

The Budget and Control Board met at 10 a.m. on Tuesday, October 21, 1986, in the Governor's conference room in the State House with the following members in attendance:

Governor Richard W. Riley, Chairman;  
Mr. Grady L. Patterson, Jr., State Treasurer;  
Mr. Earle E. Morris, Jr., Comptroller General;  
Senator Rembert C. Dennis, Chairman, Senate Finance Committee;  
Representative T. W. Edwards, Jr., Acting Chairman, House Ways and Means Committee.

Also attending were:

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

**Minutes of Previous Meeting (Regular #1)**

Board members previously had been furnished a draft version of the minutes of the September 23, 1986, meeting.

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

**Blue Agenda**

Following a review by Dr. Coles of the items included, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved all items on the blue agenda.

Blue agenda items are identified as such in these minutes.

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**General Services: Easement Agreement (Blue Agenda #1)**

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the following:

- (a) An easement agreement between the South Carolina Wildlife and Marine Resources Department and the Oak Grove Land Company which would allow the Oak Grove Land Company to install and maintain an eight-inch sanitary sewer line with manholes at Lake Oak Grove in Greenville County;
- (b) A right-of-way easement from Clemson University to South Carolina Electric and Gas Company covering a portion of the Sandhill Research and Education Center to serve the North Crossing Subdivision;
- (c) A right-of-way easement from Wil Lou Gray Opportunity School to Southern Bell to install telephone equipment across 10 acres in Lexington County; and
- (d) A right-of-way easement to the City of Anderson to construct, install, operate and maintain an aerial sewer line across Rocky River in Anderson County.

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

**Lease/Purchase Study Committee: Status Report (Blue Agenda #2)**

The Board was advised that the Lease/Purchase Study Committee (Bond Committee appointees Scott Inkley, Sue Hooks, Bob Toomey and Bill Jordan and Board appointees Craig Bower, Mike Ey and Bill McInnis) has met on three occasions and plans to have its work completed by the end of November.

The Committee expects to examine lease purchase and other private funding mechanisms, as the proviso requires, and to offer recommended processes for deciding when and for what types of improvements private funding mechanisms are appropriate. It will review recent South Carolina experience in this area and that of other states.

As it begins its study, the Committee is gathering information and is taking a very broad view of the scope of the study which it expects to narrow as the work progresses.

The Board received as information a report that the study of lease purchase and other private funding mechanisms by the Board-Bond Committee appointees is underway with completion of the staff report scheduled for the end of November.

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

**Retirement Systems: Report to General Assembly (Blue Agenda #3)**

Pursuant to Section 172 of the 1986-87 Appropriations Act, the Retirement Systems submitted a copy of the report to the General Assembly on the establishment of a preferred provider organization.

Section 172 states:

The Budget and Control Board shall investigate the feasibility of allowing state employees to use doctors, hospitals, and dentists and other health care providers who have contracted with the State's administrator for reduced costs in return for a dedicated interest in the State making a commitment to refer its employees to the Preferred Providers organization. The Board shall mail a report of the investigation to each member of the General Assembly no later than October 15, 1986. This section in no way mandates an acceptance of the report by the General Assembly.

Retirement Systems staff advised that a copy of the report has been sent to the Clerk of the Senate and the Clerk of the House.

The Board received as information the Retirement Systems report on the establishment of a preferred provider organization which Retirement transmitted to the General Assembly in accord with Section 172 of the 1986-87 Appropriations Act.

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

**Corrections: Quarterly Report on Nelson Suit Compliance (Blue #4)**

The Board was advised that the seventh quarterly report on the Nelson Suit compliance indicates that compliance problems, mostly related to inmate housing, were experienced during the July-September 1986 period.

The Department noted that these housing noncompliances resulted primarily from unexpected inmate admissions increases. When the Consent Decree was signed, net admissions of 30 to 50 inmates per month were expected. Since then and through May 1986 admissions averaged 73 per month with highs of 119 in the months of March through June of 1986.

Board members were advised that the complete report is available if further information is needed.

**04027**



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The Board received as information the Seventh Quarterly Report on Nelson Suit Compliance by the Department of Corrections.

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

**Executive Director: Permanent Improvement Projects (Blue Agenda #5)**

The Board received as information a report that permanent improvement project actions included on Summary 8-87, items 4 through 7, and 9 (involving The Citadel, College of Charleston, Francis Marion, and Medical University) had been reviewed favorably by the Joint Bond Review Committee and approved by staff.

The Board also received as information a report that permanent improvement project actions included on Summary 8-87, items 14 through 24 (involving College of Charleston, USC-Columbia, TEC, DHEC, Criminal Justice Academy, Forestry and Wildlife & Marine Resources) had been approved by staff and that Joint Bond Review Committee review is not required.

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

**Executive Director: 1986 Agency Directors Conference (Blue Agenda #6)**

The Board received as information an invitation to and an agenda for the 1986 Agency Directors Conference to be held December 9-12 at Hilton Head Island.

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

**Executive Director: Williams-Brice Stadium Insurance Coverage (Blue #7)**

The Insurance Reserve Fund advised that it intends to conduct an engineering inspection of the Stadium in response to numerous expressions of concern from reinsurers, students and the general public following the publicized movement of the East Deck during the Nebraska game.

The Fund noted that it insures the Stadium for \$57,888,000 and provides USC with tort liability insurance with a limit of \$1,000,000 per occurrence.

04028



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General Services Division Director Rick Kelly advised that the Division, with USC and the Engineer's Office, is reviewing previously-completed studies and the results will be reviewed by a private engineering firm.

Mr. Patterson asked that the Division make sure the review is thorough. He indicated that harmonious syncopation is a serious problem and said the Division should go the extra mile to ensure the safety of the fans.

Governor Riley noted that, though the stadium is presumed to be 100% safe, the movement could be a very serious matter. He also urged that the question be examined very carefully.

The Board received as information a report that, following published reports of the movement of the East Deck of the Williams-Brice Stadium during the Nebraska game, the Insurance Reserve Fund plans to participate with USC in an engineering inspection of the Stadium, after Board members admonished staff to be certain this serious problem is reviewed thoroughly.

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

**General Services: Asbestos Abatement Task Force Report (Regular #2)**

General Services Division Director Rick Kelly appeared before the Board on this matter.

Mr. Kelly reminded the Board that, in April, it charged the Division of General Services with the responsibility for developing a policy and procedure for asbestos abatement in State-owned buildings. He reported that that work was undertaken by an eleven-member task force comprised of officials representing different State agencies, with assistance from the Attorney General's Office and Davis and Floyd, Consulting Engineers, which now has prepared its first report.

The Task Force proposed:

- (1) to begin surveying State buildings following the strategy outlined in the October 13, 1986, report;
- (2) to use bond funds (from the \$8.2 million authorized in 1986) to cover the cost of this process (within amounts scheduled) and for the highest priority abatement projects;
- (3) that the \$10 million loan authorization (to be repaid to the Insurance Reserve Fund by agency borrowers unless the General Assembly provides the funds) be held in reserve for emergency situations; and

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- (4) that a worker training program, coordinated through General Services, be approved.

In response to Mr. Edwards who expressed concern that a priority list for asbestos abatement had not been established already, Mr. Kelly indicated that several agencies, e.g., USC, Clemson, Budget and Control Board, have identified asbestos problem areas, but that the State as a whole has not been surveyed and priorities have not been set.

Mr. Edwards expressed concern also about the prospect of spending too much on surveys of the problem, after noting that the proposal includes survey costs of \$1.2 million of the \$8.2 million total of bonds authorized. He indicated that the Bond Committee had thought that the \$8.2 million was to relieve the problem, not to study it. He further indicated that he thought it unwise to spend another \$1.2 million on surveys.

Mr. Kelly noted that the State must be surveyed and a Statewide policy developed as a lot of agencies will be dealt with for the first time. He assured Mr. Edwards that there would not be duplication.

In response to Mr. Morris' query, Mr. Wilson noted that the EPA had been more aggressive with school districts and that many of them had to proceed on this a couple of years ago.

Following further discussion, upon a motion by Senator Dennis, seconded by Mr. Edwards, the Board authorized (a) the Asbestos Abatement Task Force to finalize the survey of State-owned buildings to identify those with asbestos; (b) the use of previously-authorized bond funds to cover costs associated with this identification process and for highest priority abatement projects; (c) the retention in reserve of the \$10,000,000 loan authorization for emergency abatement situations; and (d) a required worker training program coordinated by General Services.

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

**Budget Division: 1986-87 Revenue Status Report (Regular #3)**

Budget Division Director A. Baron Holmes, IV, appeared before the Board on this matter as a follow-up to the discussion of this subject at the previous meeting.

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Dr. Holmes noted that the last report by the Board of Economic Advisors had indicated that revenues were about 3 2/3% short of the estimate and stated that there is absolute certainty of a budget cut of significant size. He noted that there was confusion on the treatment of \$32 million of insurance tax funds but they now have been handled properly. He said he is waiting for the Board of Economic Advisors to complete its review of the situation. He said he did not envy that Board's job since no national consensus exists on where the economy is headed. He stated that the Board has no obligation to reduce budgets and recommended that it wait until the November 5 meeting, when it will have the updated, official forecasts of the Board of Economic Advisors before taking action on the budget.

Mr. Morris said he is not giving up hope there won't be a cut.

Governor Riley noted a need to respond to gubernatorial candidate Carroll Campbell who had indicated that there was a Budget and Control Board effort to hold off on a projected shortfall until after the November 5 elections. He recalled that the matter was discussed at length at the September 16 Board meeting at which time State agencies were advised of the possibility of a reduction of between 2% and 4%. He stated that the economy has not performed as expected, which he didn't like any more than anyone else, but he insisted that the Board had let the public know of this situation then. He pointed out that he had written to State agencies on September 18 to alert them to the possibility of a budget cut and to tell them to restrict non-essential expenditures.

Mr. Morris observed that the present procedure for economic forecasting has been in place for ten years. He noted that the Board has nothing to do with the forecasting, and that the Board of Economic Advisors is the final authority for estimating revenues under the law.

Mr. Patterson noted that the revenue estimates have been done pursuant to law and that disciplines are in place to prevent a deficit and to deal with one if it occurs at the end of the year. He said that the Board is required to review and follow revenue collections. He further noted that South Carolina is not experiencing a deficit now and that the Board will take action to prevent a deficit according to law.

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Governor Riley noted we have no deficit now and that reference to a \$100 million deficit is a misstatement by Mr. Campbell. He said that the \$28 million in the rolling reserve would be applied first and, if necessary, cuts to fit the resources available would be made after that.

Mr. Morris indicated that the State has \$85 to 90 million in surplus in the two reserve funds.

Senator Dennis emphasized the difference between an anticipated shortfall, a shortfall, and a deficit. He said that South Carolina does not have a deficit and that those who talk about deficits are talking about Washington, not South Carolina. He said that South Carolina hasn't run a deficit in any year.

Governor Riley noted he had vetoed \$10 million of appropriations when advised the bill was out of balance and that, when faced with a shortfall problem, the Board reacts quickly and fairly.

Mr. Patterson noted that across-the-board cuts are in accord with the law and that selective cuts by the Board would thwart the will of the General Assembly.

Governor Riley noted that Mr. Campbell has said there is a plan to use revenue increases resulting from tax reform. Board members disavowed any knowledge of such a plan.

Mr. Morris noted that the U.S. House voted on the tax reform legislation without having a copy of it which meant that they didn't know what is in it. He didn't see how there could be a plan to use increases resulting from legislation that is not known to us.

Mr. Patterson called the practice in the Congress of allowing bureaucrats and staff to put provisions in the tax reform legislation a travesty on our representative system of government.

Following further discussion, the Board received as information a status report on revenue collections for 1986-87 which showed actual collections of \$698.1 million compared to estimated collections of \$724.6 million for 96.3% attainment or a 3 2/3% shortfall.

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

**04032**



**Energy Office: Proposed Building Energy Standards (Regular #4)**

Energy Office staff members John Clark and John Lawson appeared before the Board on this matter.

The Board was advised that, in response to its August 1985 request, the Energy Office has developed and proposes Board action on a proposed energy efficiency standard for all buildings constructed or renovated using State funds. State government and public school buildings would be covered under the proposal.

The Energy Office proposed that these Standards be recommended for adoption (by reference) in the Board's recommended appropriations bill. Reference to these Standards would be included along with various other codes governing building construction in the appropriations bill proviso on this subject. Procedures for administering these Standards also would be adopted by reference.

Staff recommended that these Standards be received as a report to the Board and referred to the Division of General Services for study and recommendations.

Mr. Clark reviewed the process leading to the development of the Standards, noting that they are in response to the Board's August 1985 resolution which was adopted in response to Governor Riley's proposal. He said that the Standards are geared to South Carolina and that they have been developed in concert with the Governor's Office, the Joint Legislative Committee on Energy, the Department of Education and General Services. He said they have been presented to architects in the State and that the State Engineer has endorsed them.

Mr. Lawson stated that State government energy costs in 1985-86 were over \$110 million (with \$63 million for State buildings and \$50 million for public school buildings). He estimated that 20% or more of the energy being used is wasted.

Mr. Lawson noted that the State now relies on an energy code which is unevenly applied and which doesn't work well with large buildings.

He said that the proposed Standards take an energy budget approach which allows designs of virtually any sort. They also require building components, including heating and cooling systems, to meet minimum efficiency standards.



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Mr. Lawson asked the Board to adopt the Standards in principle and to refer the procedures for implementing the Standards to Executive Director Coles for his recommendations by the second meeting scheduled for November.

Mr. Edwards said he is very familiar with the work of the Energy Office and he expressed his strong support for implementation of the Standards.

Upon a motion by Mr. Morris, seconded by Senator Dennis and Mr. Edwards, the Board adopted in principle the Building Energy Standards proposed by the S. C. Energy Office and referred them to the Executive Director's Office for study and recommendations by the Board's second meeting in November 1986.

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

**Governor's Office: Oil Overcharge Refunds (Addendum)**

In response to Mr. Morris, Governor's Office staff member David Reid indicated that oil overcharge refunds are made to the federal government and to specifically identified consumers. He indicated that the funds are remitted to the Governor's Office in accord with regulations and that there are many restrictions on the use of the funds.

Mr. Reid advised that South Carolina received \$2.3 million in 1983 and since then has received about \$41 million.

Mr. Reid indicated that there have been a great number of proposals for use of these funds and advised that a public meeting will be held to receive further proposals. He noted that the Governor will make recommendations on the use of the fund to the Committee on Energy. He suggested that anyone interesting in applying for the funds should write to the Governor.

Mr. Patterson asked if the General Assembly would appropriate these funds.

Mr. Edwards noted that the funds have very tight restrictions and that the Department of Energy has to approve the use of such funds.

**Budget Division: Funds Transfer, Mental Retardation (Regular #5)**

Appearing before the Board were Mental Retardation Deputy Commissioner James Kirk and Budget Division analyst David Anderson.

The Budget Division recommended approval of the Department of Mental Retardation request to transfer \$1,221,574 from personal service funds to other operating expenses and to delete 103 associated FTE positions.

**04C34**

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The Board was advised that the Department is contracting for food services and laundry services at Coastal Center and laundry services at Whitten Center, and is contracting for the operation of community residences throughout the State.

The Division advised that there will be no reduction-in-force as a result of this action. The Department asked that it be authorized to delete 97 FTE positions immediately and 6 additional FTE positions January 1, 1987.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the Department of Mental Retardation request to transfer \$1,221,574 from personal service funds to other operating expenses and to delete 103 associated FTE positions (97 immediately and 6 January 1, 1987).

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

**Budget Division: Civil Contingent Fund (Sentencing/Guidelines Comm.) (R6)**

The Budget Division advised that the Sentencing and Guidelines Commission discontinued operations as of June 30, 1986. One agency employee remained to handle the administrative and operational requirements of an orderly closing.

The Commission requested \$1,541.67 from the Civil Contingent Fund to pay the following costs of closing the agency:

\$1,102.67	Ms. Causey (84 hours @ \$11.40/hr. includes E/C)
139.00	Telephone expenses
<u>300.00</u>	Printing final report

\$1,541.67    Total

The Budget Division recommended approval of the request.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board allocated \$1,541.67 from the Civil Contingent Fund to the Sentencing and Guidelines Commission to pay costs incurred in closing the agency.

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

**Budget Division: Actuarial Examination of Workers' Comp. Fund (R#7)**

Budget Division staff member Preston Cantrell appeared before the Board on this matter.

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The Board was reminded that, at the August 13 meeting, it had authorized the Budget Division to employ an actuarial firm (a) to determine the amount of the outstanding liability against the Workers' Compensation Fund prior to July 1, 1985; (b) to determine the adequacy of the current premium structure to cover Fund operations, pay current claims and provide adequate reserves; and (c) to examine the need for an annual actuarial audit of the Fund.

The August 13 Board action limited the cost of this work, which is to be paid by the Fund, to \$30,000.

Budget Division staff advised that, after receiving proposals, the cost of the work authorized is considerably higher than the \$30,000 limit set by the Board and asked that the limit be increased to not exceeding \$50,000.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the payment of not to exceed \$50,000 from the Workers' Compensation Fund for an actuarial examination of the Fund (an increase from the \$30,000 approved August 13).

Mr. Cantrell advised the Board that the work is to begin November 1 and be completed thirty days later.

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

**Local Government: Grant Requests (Regular #8)**

Division Director Michael Gullledge appeared before the Board on this matter.

The Division of Local Government recommended approval of the following rural improvement fund grant requests:

- (a) Town of Lincolnville, \$39,000 to assist in constructing a wastewater collection system. The funds will match a Community Development Block Grant of \$368,100 and an Economic Development Administration grant of \$486,000 ( $\frac{1}{2}$  Senate;  $\frac{1}{2}$  House).
- (b) Spartanburg County, \$40,000 on behalf of the Meansville-Riley Road Water Company to extend water lines along with necessary appurtenances to provide residents in the Whispering Pines area with a dependable supply of potable water (Senate funds).

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the following rural improvement funds grants: (a) Town of Lincolnville,

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\$39,000; and (b) Spartanburg County, \$40,000 on behalf of the Meansville-Riley Road Water Company.

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

**General Services: Sale of North Charleston Armory (Regular #9)**

The Division of General Services advised that, in March 1982, the State entered into a contract with the City of North Charleston for the purchase of the North Charleston Armory for \$80,000 and a 15-acre parcel for the construction of a new armory.

It also advised that the new armory is now complete, the Adjutant General has vacated the old armory, and the City of North Charleston has requested the conveyance of the property in accord with the 1982 contract.

Upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board approved the conveyance of the Old North Charleston Armory to the City of North Charleston.

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

**General Services: Sale of Surplus Property to Retiring Employees (R10)**

Deputy Executive Director E. A. Laurent reviewed the procedures recommended by General Services on the sale of surplus State-owned property to retiring State employees.

He noted that the proposal:

- (1) pertains to retiring employees;
- (2) requires that the property to be sold be declared surplus by the agency head;
- (3) requires that the property to be purchased must have been assigned to and used by the retiring employee purchaser;
- (4) limits the property which may be purchased to a single item or a logical grouping;
- (5) requires that the property to be sold must meet replacement schedule requirements; and



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- (6) authorizes the Materials Management Office to approve sales of surplus property to retiring employees in accord with these procedures if the value involved is under \$2,500, with values between \$2,500 and not more than \$5,000 to be approved by the Board.

Mr. Morris asked about the minimum time an employee must have worked to be eligible to purchase surplus property. Dr. Laurent said staff wrestled with that without success.

Mr. Wilson was advised that the procedures do not apply to Constitutional Officers.

The Board agreed to include a requirement for five years of service, after further discussion.

Upon the recommendation of the Division of General Services and upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted the following procedures on the sale of surplus State-owned property to retiring State employees:

Sale of surplus State-owned property to retiring State employees is subject to the following conditions:

1. To qualify for the purchase of State-owned property, an employee must have been an employee for a minimum of five years and must have formally stated an intention to retire from active service within 90 days and be eligible to receive a retirement benefit or a disability retirement benefit immediately upon leaving active service.
2. Property to be sold to a retiring State employee must be declared, in writing, to be surplus by the agency head of the using agency.
3. A retiring employee may purchase only property assigned to and used by the employee while in State service. A written statement from the agency head attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the request to purchase.
4. A retiring State employee is limited to the purchase of one (1) item of equipment except where the Materials Management Officer determines that a logical grouping exists. Examples of logical groupings include (1) boat, motor, and trailer or (2) desk and credenza.
5. All proceeds from such sales minus customary fees or charges assigned by the State Surplus Property Program will be returned to the General Fund unless the agency justifies a need to keep the funds because they will be needed to finance the replacement of the surplus property which has exceeded replacement schedules.

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6. Motor vehicles considered for sale to a retiring State employee must meet disposal criteria established by the Division of Motor Vehicle Management. Minimum mileage or age requirements for surplus disposition and sale shall be those in effect at the time of the proposed sale.
7. Any property that has a specified replacement schedule whether by age, mileage, or use cannot be declared surplus for employee purchase unless minimum requirements for surplus disposition and sale have been met.
8. The established sale price, plus applicable taxes, shall represent the most accurate or current assessment of the value of the asset. Any deviation from this standard must be supported by a written determination and approved by the Materials Management Officer.
9. The approval of the Materials Management Officer or his designee shall be required for all purchases involving \$2,500 or less upon submission of proper documentation and necessary appraisals. Specific Budget and Control Board approval is required for purchases involving more than \$2,500 and not more than \$5,000. In no case will the Budget and Control Board approve the direct sale of property the value of which exceeds \$5,000.
10. These procedures apply to all sales of State property to retiring State employees unless clearly indicated otherwise by existing laws.

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

**General Services: Information Technology Equipment Trade-in (Regular #11)**

Upon the recommendation of the Division of General Services and upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the trade-in value of \$50,718 for two 3705 communication controllers to be applied by the Division of Information Resource Management on the acquisition of two 3726 IBM communication controls at a cost of \$287,791.

Dr. Griswold advised the Board that these devices serve like traffic cops on phone lines. He said they are needed to handle IRM's larger networks.

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

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**General Services: Procurement Certification, Workers Compensation (R#12)**

Upon a motion by Mr. Morris, seconded by Mr. Edwards, the Board, in accord with Consolidated Procurement Code Section 11-35-1210, granted certification to the Workers' Compensation Commission within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for two years: Goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$5,000 per purchase commitment.

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

**General Services: Procurement Certification, Francis Marion College (R13)**

Upon a motion by Mr. Morris, seconded by Mr. Edwards, the Board, in accord with Consolidated Procurement Code Section 11-35-1210, granted certification to Francis Marion College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$20,000 per purchase commitment; and construction services, \$25,000 per purchase commitment.

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

**General Services: Procurement Certification, Lander College (Reg. #14)**

Upon a motion by Mr. Morris, seconded by Mr. Edwards, the Board, in accord with Consolidated Procurement Code Section 11-35-1210, granted certification to Lander College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services, \$20,000 per purchase commitment; consultants, \$10,000 per purchase commitment; construction services, \$25,000 per purchase commitment; and information technology in accordance with the approved Information Technology Plan, \$10,000 per purchase commitment.

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

**General Services: Tort Liability Reinsurance Program (Regular #15)**

Insurance Reserve Fund Officer James E. Bennett appeared before the Board on this matter.

Dr. Coles reviewed this issue briefly and distributed a handout prepared by Insurance Reserve Fund staff. The handout included four items as follows:

- (1) an October 21, 1986 report on tort insurance which reviewed the background on the situation, outlined the current problem, reviewed available options and recommended going to self insurance with a reinsurance program;
- (2) a schedule of steps to implement self insurance program;
- (3) a proposal on claims service; and
- (4) an outline of the reinsurance program to be sought.

Mr. Bennett reviewed the background on the current situation by noting that the Fund in the fall of 1984 sent solicitations to some 85 vendors for renewal of the Tort Liability Reinsurance Program. He reminded the Board that only one responsive bid was received (from Michigan Mutual) but the cost was considered unacceptable. He recalled that the Board had authorized the Fund to negotiate the costs which resulted in a substantial reduction with the Fund agreeing to accept a "claims-made" contract in lieu of an "occurrence" contract and full self-insurance on coverage for denial of due process claims. The contract term was for 30-months.

Mr. Bennett noted that in the fall of 1985 Michigan Mutual advised the Fund of either a rate increase of 165% or cancellation of the reinsurance contract. He pointed out that negotiations took place in a crisis atmosphere and that the rate increase was accepted.

He reported that Fund staff met with Michigan Mutual representative on August 17, 1986, and were advised that there would be no rate increase for the remaining six months of the Tort Reinsurance Contract.

However, he further advised that Michigan Mutual delivered a letter at 2:30 p.m. on October 1, 1986, demanding another rate increase of about 124% to

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be effective January 1, 1987, for the six months until July 1, 1987. Mr. Bennett said that the proposed rate increase would require an annual premium of about \$19 million compared to the current premium of \$8.6 million. Mr. Bennett's report indicated an increase of \$10.4 million would result with the State's share being \$4 million and the balance of \$6.4 million to be spread among counties, cities and school districts.

Mr. Bennett recommended that the Board authorize the Fund to self insure the Tort Liability Program and to purchase a different reinsurance program (annual aggregate excess or stop loss reinsurance). He also recommended that outside claims service be purchased on a rotating basis at least for a year.

Mr. Bennett noted that the number of claims has doubled between 1983 and 1984 and likely will reach 1,200 to 1,300 claims this year compared to 343 in 1983.

In response to Mr. Patterson's question about the determination of the validity of claims, Mr. Bennett said that would be done by staff and would not be farmed out. Mr. Patterson expressed concern about the staff being subject to pressures but Mr. Bennett said that would be no different than at present. Governor Riley suggested that it would be well to be tuned into that issue and that staff should recommend appropriate protections if needed.

Mr. Edwards asked about possible impacts of the self insurance approach on the State's overall financial rating and Mr. Patterson said we would have to be sure that program is run in accord with our high standards of fiscal responsibility. Mr. Morris noted that GAAP will require that liabilities be shown.

Mr. Wilson asked if the Fund actuaries had concurred in the self insurance recommendation. Mr. Bennett said he had called them in immediately to do a claims audit in Charlotte. He said they concur that the Fund can self insure but the question is at what rate. He said a small increase may be required.

In response to Mr. Patterson's question about the cost to set up the self insurance program, Mr. Bennett said five additional staff would be required which would be paid from premium revenue. He also estimated that the premium may be 10% to 15% above the present \$8.6 million level.

Dr. Coles summarized the Fund's proposal.

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Mr. Patterson urged Mr. Bennett to be sure that claims determination is covered. Mr. Bennett said he would write a procedure on it for Board approval.

Governor Riley observed that no reasonable alternative option is apparent under the circumstances.

Following this discussion, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board authorized the Division of General Services, Insurance Reserve Fund (a) to notify Michigan Mutual, current tort liability insurance reinsurer, effective on or before November 1, 1986, that the State will reject proposed rates and will cancel coverage January 1, 1987; (b) to institute a program of self-insurance for the Tort Liability Program; (c) to seek a different reinsurance program designed to limit the State's maximum loss (referred to as "annual aggregate excess" or "stop loss" insurance); and (d) to employ five additional persons to administer the program.

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

**Executive Director: Local Housing Authority Bond Issue Regulations (R16)**

Deputy Executive Director/Secretary William A. McInnis appeared before the Board on this matter.

The Board was advised in the agenda materials that staff has pursued the development of a set of Board regulations on local housing authority bond issues for multifamily housing projects since the Board directed it to do so in April. The proposed regulations would implement Act 369 of 1986 which authorized city, county and regional housing authorities to issue bonds to finance such projects.

Mr. McInnis advised that the proposed regulations have been reviewed by the staffs of the State Housing Authority, local housing authorities, the State Auditor's Office, the Governor's Office, the State Treasurer's Office and the Attorney General's Office. He stated that the approval process proposed in the regulations is much like that followed for industrial revenue bonds. He said that reviews by the Attorney General's Office (for State law compliance) and by the State Auditor's Office (for financial feasibility and capability of issuer to carry the debt) will be done. He also said that it is

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fully expected that State Housing Authority staff and the State Treasurer's Office also will be involved on an informal basis as appropriate to make use of their special expertise.

Mr. McInnis stated that Mr. Donald Cameron had indicated that the Association of Housing Authority Executive Directors had voted to support the regulations as proposed.

Col. William Ballou, Director of the Columbia Housing Authority, was present. He confirmed that the Association of Housing Authority Executive Directors had agreed to support the proposed regulations as drafted.

Mr. McInnis said that the regulations are subject to the formal review process which includes publication in the State Register. The deadline for the October Register is October 22. He asked the Board to authorize the submission of the proposed regulations for publication in the State Register to begin the formal review and comment process. He reminded the Board that the regulations would come back for Board approval for submission to the General Assembly.

Mr. Patterson pointed out that the regulations do not include the State Housing Authority or the State Treasurer's Office in any review role. He noted that Governor Riley had asked that the Housing Authority play a review role when the matter was first considered.

Mr. McInnis said that the Housing Authority was included in a very prominent way in the first draft of the regulations but the local housing authority reviewers had objected very strongly to that. He stated that State Housing Authority Executive Director Ransom had indicated his approval of the revised version of the regulations which took that agency out of any formal role.

Upon a motion by Mr. Morris, seconded by Mr. Edwards, the Board authorized staff to begin the formal public review and comment process on the regulations on local housing authority bond issues for multifamily housing by submitting them for publication in the State Register.

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

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**Family Farm Development Authority: Agricultural Development Bonds (R17)**

Deputy Executive Director/Secretary William A. McInnis appeared before the Board on this matter.

He advised that the Family Farm Development Authority requests Board approval of the issuance of Agricultural Development Revenue Bonds for the following projects and that an allocation of a portion of the State Ceiling be made for each:

- (1) Borrower: James T. Sprouse  
Principal Amount: \$300,000  
Purpose: Construct two brooder houses and six range houses and purchase land  
Maturity Schedule: 120 monthly payments of principal in the amount of \$2,500 plus interest at a rate not to exceed 12%  
Bond Purchaser: NCNB of South Carolina
- (2) Borrower: John C. Cato  
Principal Amount: \$175,000  
Purpose: Construction of turkey brooder house and three range houses  
Maturity Schedule: 10 equal annual payments of principal plus interest at a rate not to exceed 12%  
Bond Purchaser: NCNB of North Carolina

Mr. McInnis recommended that the Board grant conditional approval since the required review was then incomplete.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the Family Farm Development Authority proposal to issue the following Agricultural Development Revenue Bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project: (a) James T. Sprouse, \$300,000; and (b) John C. Cato, \$175,000.

Information relating to this matter has been retained in these files and is identified as Exhibits 23 and 24, respectively.

**Richland County: Ceiling Allocation Reinstatement (Regular #18)**

Deputy Executive Director/Secretary William A. McInnis appeared before the Board on this matter.

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He reminded the Board that, at its meeting on July 15, 1986, it allocated \$3,500,000 of the State Ceiling to the Richland County Trinity Knoll project which expired October 13, 1986.

He said that closing for this project has been scheduled for October 28, and that Richland County has asked that the \$3,500,000 allocation be reinstated.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board reinstated the \$3,500,000 State Ceiling allocation (to expire December 31, 1986) for the Richland County Trinity Knoll project.

Information relating to this matter has been retained in these files and is identified as Exhibit 25.

**Executive Director: Permanent Improvement Projects (Regular #19)**

Deputy Executive Director/Secretary William A. McInnis appeared before the Board on this matter.

He advised that Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

On Summary 8-87:

Item 1: Agency: The Citadel  
Project: 7885, McAlister Fieldhouse Conversion  
Request: Increase budget to \$7,903,757.89  
Amount: \$4,252,789.00  
Source: Capital Improvement Bond funds  
Purpose: The cost increase on this previously-approved project is attributed to additional code requirements, A/E fee additions, construction escalation since 1980 and the demolition of the pool. These capital improvement bond funds were not been included the Priority Group 9 release.

Item 2: Agency: The Citadel  
Project: Alumni Hall Renovation or Replacement  
Request: Establish project and budget  
Amount: \$4,566,000  
Source: Capital Improvement Bond funds  
Purpose: For demolition of 1922 Alumni Hall and construction of a 49,400 square foot, four-story building for Physics and Electrical Engineering Departments. The agency is aware that these capital improvement bond funds were not included in the Priority Group 9 release.

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- Item 3: Agency: The Citadel  
Project: Mark Clark Hall Addition & Renovation  
Request: Establish project and budget  
Amount: \$3,534,000  
Source: Other (Gifts) funds  
Purpose: To construct a 30,000 square foot, 3-story addition to house the Citadel Museum, the marching and bagpipe bands, and additional cadet recreational and meeting rooms. To renovate an existing 55,000 square foot, 22-year-old building to meet present needs for cadet recreation and service activities.
- Item 8: Agency: Lander College  
Project: Physical Education Complex  
Request: Establish project and budget  
Amount: \$10,027,000  
Source: Capital Improvement Bond funds  
Purpose: Construction of facilities for the academic programs in Health, Recreation and Physical Education for the intercollegiate and intramural athletic programs. This includes gymnasiums, classrooms, locker rooms, laboratories, faculty offices, meeting rooms, handball courts and a swimming pool. These funds become available first in Priority Group 10 (January-June 1987). The agency request is to gain approval of the establishment of the project so the A/E selection can proceed.
- Item 10: Agency: Medical University  
Project: Red Cross Facility Purchase  
Request: Establish project and budget  
Amount: \$375,000  
Source: Excess Debt Service funds  
Purpose: The acquisition of the Red Cross Facility (0.75 acre) on Doughty Street near the central core of the Medical University's campus.
- Item 11: Agency: Wildlife & Marine Resources  
Project: Horry Co-Cartwheel Bay Land Acq  
Request: Establish project and budget  
Amount: \$400,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of four parcels of property (approximately 880 acres) to establish a South Carolina Heritage Preserve with access facilities for the public.

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- Item 12: Agency: Wildlife & Marine Resources  
Project: Clarendon Co-Junkyard Bay Land Acq  
Request: Establish project and budget  
Amount: \$300,000  
Source: Other, (Heritage Land Trust Fund) funds  
Purpose: The purchase of five parcels of property (about 613 acres) in Clarendon County for a Heritage Preserve.
- Item 13: Agency: Wildlife & Marine Resources  
Project: Bamberg Co-Cathedral Bay Land Acq  
Request: Establish project and budget  
Amount: \$45,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of two parcels of property (about 67 acres) in Bamberg County to establish a S. C. Heritage Preserve with access facilities for the public.

Mr. McInnis advised that the following item was authorized specifically in Act 538 of 1986 which means that Bond Committee review is not required.

Agency: College of Charleston  
Project: Craig Cafeteria Renovation and Expansion  
Request: Establish project and budget  
Amount: \$300,000  
Source: Other (borrowed) funds  
Purpose: To add 3,000 square feet of dining space (approximately 200 seats) to existing cafeteria to satisfy student needs.

Upon a motion by Mr. Patterson, seconded by Mr. Morris and Mr. Edwards, the Board approved the referenced permanent improvement project establishment requests and budget revisions.

Information relating to this matter has been retained in these files and is identified as Exhibit 26.

**Budget and Control Board: Future Meeting (Regular #20)**

The Board was advised that the next regular meeting of the Budget and Control Board has been scheduled to be held at 10 a.m. on Wednesday, November 5, 1986, in Room 148-149 of the Dennis Building.

Mr. Patterson's office had indicated that he has a conflicting meeting of the Board of Financial Institutions set for that day.

Because of Mr. Patterson's conflict, the Board agreed to hold a regular meeting at 2 p.m. on Wednesday, November 5, 1986, in Room 148-149 of the Dennis Building.

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**Executive Session**

Dr. Coles advised that three personnel items had been proposed for consideration during executive session.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board agreed to consider these items in executive session whereupon Governor Riley declared the meeting to be in executive session.

**Ratification of Executive Session Actions**

Following consideration of executive session actions, the meeting was opened and, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board ratified the following actions which were taken during executive session:

- (1) Accepted Mr. Roy F. Hoyle's renunciation of rights to benefits payable on behalf of Dr. Larry D. Hoyle through the Retirement System and designated Mrs. Glenda A. Hoyle, wife, as beneficiary of all such retirement funds;
- (2) Approved a special salary adjustment for an unclassified Department of Agriculture employee effective October 21, 1986;
- (3) Approved salaries in excess of 97% of the MUSC President's salary for two unclassified MUSC employees, effective October 21, 1986; and approved a 50% salary increase for one unclassified MUSC employee, effective October 21, 1986.

**Adjournment**

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the meeting was adjourned at 12:05 p.m.

[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 9 a.m. on Monday, October 20, 1986.]

# EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

BLUE AGENDA  
ITEM NUMBER

1

AGENCY: General Services

SUBJECT: Easement Agreement

The Division of General Services recommends approval of the following:

- (a) An easement agreement between the South Carolina Wildlife and Marine Resources Department and the Oak Grove Land Company which would allow the Oak Grove Land Company to install and maintain an eight-inch sanitary sewer line with manholes at Lake Oak Grove in Greenville County;
- (b) A right-of-way easement from Clemson University to South Carolina Electric and Gas Company covering a portion of the Sandhill Research and Education Center to serve the North Crossing Subdivision;
- (c) A right-of-way easement from Wil Lou Gray Opportunity School to Southern Bell to install telephone equipment across 10 acres in Lexington County; and
- (d) A right-of-way easement to the City of Anderson to construct, install, operate and maintain an aerial sewer line across Rocky River in Anderson County.

## BOARD ACTION REQUESTED:

Approve the following:

- (a) An easement agreement between the South Carolina Wildlife and Marine Resources Department and the Oak Grove Land Company which would allow the Oak Grove Land Company to install and maintain an eight-inch sanitary sewer line with manholes at Lake Oak Grove in Greenville County;
- (b) A right-of-way easement from Clemson University to South Carolina Electric and Gas Company covering a portion of the Sandhill Research and Education Center to serve the North Crossing Subdivision;
- (c) A right-of-way easement from Wil Lou Gray Opportunity School to Southern Bell to install telephone equipment across 10 acres in Lexington County; and
- (d) A right-of-way easement to the City of Anderson to construct, install, operate and maintain an aerial sewer line across Rocky River in Anderson County.

## ATTACHMENTS:

Agenda item worksheet and attachment

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BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject: Easement

3. Summary Background Information:

This is a proposed easement agreement between the South Carolina Wildlife & Marine Resources Department and the Oak Grove Land Company. The Oak Grove Land Company desires this easement in order to cross the Wildlife Department's land to install and maintain an eight (8") inch sanitary sewer line with manholes.

This easement is being submitted to the Budget and Control Board for approval pursuant to Section 10-1-130 of the S.C. Code of Laws, 1976, as amended.

EXHIBIT

OCT 21 1986

NO. 1

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Approve the proposed easement.

5. What is recommendation of the Board Division involved?

That the proposed easement be approved.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ Authorized  
(b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Original easement (2 pages)

(a)

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# EXHIBIT

OCT 21 1986

NO. 1

STATE OF SOUTH CAROLINA

)

STATE BUDGET & CONTROL BOARD

COUNTY OF GREENVILLE

)

EASEMENT

)

Pursuant to Section 10-1-130, Code of Laws of South Carolina (1976) as amended, the State of South Carolina through its agency, The South Carolina Wildlife and Marine Resources Department (grantor) conveys and grants to the Oak Grove Land Company (grantee) an easement for the purpose of installation and maintenance of an eight inch sanitary sewer line with manholes across the grantor's property at Lake Oak Grove in Greenville County as further described below.

Said easement will be twenty-five feet in width and approximately two hundred ten feet in length. All piping will be below ground surface with manhole tops flush with the ground. The easement will commence on the property of the grantee and run southeast across the property of the grantor to connect with an existing sanitary sewer. The easement is bordered on the northeast by Oak Way Road and on the southwest by the property of the grantor as more fully depicted on a plat by Arbor Engineering dated August 19, 1986 and made apart of hereof by reference.

This easement and right-of-way is granted for and in consideration of the payment of six hundred seventy-five and no/100 dollars (\$675.00).

The grantee will indemnify the grantor, its officers, agents, servants and employees for any damage to the grantor, its property, its officers, agents, servants and employees and for any

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damages to any third persons or their property caused by the grantee, its agents, officers, employees, or servants.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1986 at  
Columbia, South Carolina.

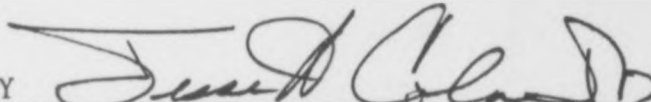
SOUTH CAROLINA WILDLIFE AND MARINE RESOURCES COMMISSION AS THE  
GOVERNING BODY OF THE SOUTH CAROLINA WILDLIFE AND MARINE RESOURCES  
DEPARTMENT.

BY \_\_\_\_\_  
Chairman - South Carolina  
Wildlife and Marine Resources  
Commission

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

Approved by the State and Budget Control Board this 21st day of  
October, 1986.

BY   
Executive Director  
State Budget and Control Board

EXHIBIT

OCT 21 1986 NO. 1

STATE BUDGET & CONTROL BOARD

04053

OCT - 8 1986



*South Carolina  
Wildlife & Marine  
Resources Department*

James A. Timmerman, Jr., Ph.D.  
Executive Director  
John B. Reeves  
Director of  
Administrative Services

October 6, 1986

EXHIBIT

Mr. William A. McInnis  
Budget and Control Board  
618 Wade Hampton Office Building  
Columbia, South Carolina 29201

OCT 21 1986 NO. 1  
STATE BUDGET & CONTROL BOARD

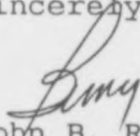
Dear Mr. McInnis:

Attached is a proposed easement agreement between the South Carolina Wildlife and Marine Resources Department and the Oak Grove Land Company. The Oak Grove Land Company is seeking permission to cross our land for the purpose of installation and maintenance of an eight inch sanitary sewer line with manholes.

It would be appreciated if you would secure the appropriate approval of this request from the Budget and Control Board and have the Board sign the attached agreement should they concur and return same to my attention for complete execution by our Commission Chairman.

Your assistance in this matter will be appreciated. Should further information be needed, please contact me.

Sincerely,

  
John B. Reeves, Director  
Administrative Services

JBR/mbs  
attachment

04054



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

October 21, 1986

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:

Right-of-way Easement

3. Summary Background Information:

This is an overhand right-of-way easement from Clemson University to South Carolina Electric and Gas Company. This easement covers a portion of the Sandhill Research and Education Center and will serve the North Crossing Subdivision.

This easement is being submitted to the Board for approval pursuant to S.C. Code Section 1-11-65.

EXHIBIT

OCT 21 1986

NO. 1

4. What is Board asked to do?

~~STATE BUDGET & CONTROL BOARD~~

Review and approve the proposed easement.

5. What is recommendation of the Board Division involved?

That the proposed easement be approved.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_

Authorized

(b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Original Easement
2. SCE&G drawing D-27,783

(b)

04055

INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 19 86  
by and between Clemson University

of the \_\_\_\_\_ of \_\_\_\_\_, County of \_\_\_\_\_ and State of  
South Carolina (hereinafter called Grantors), and the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina  
corporation having its principal office in Columbia, South Carolina (hereinafter called the Grantee).

WITNESSETH:

That in consideration of the sum of One Dollar (\$1.00) received from Grantee, Grantor owning a tract of land described herein  
hereby grants and conveys to Grantee, its successors and assigns forever, the right to overhang its land with wires and supporting  
structures in connection therewith for the transmission and distribution of electric energy and/or intelligence, and the right to clear,  
cut and/or trim and/or remove any trees, underbrush or other obstructions that are within a strip of land ten ( 10 )  
feet on each side of the wires strung on the lines now constructed or which hereafter may be constructed on or adjacent to Grantors  
land situate in the County of Richland, containing 880 acres, more or less, and being the same  
lands conveyed to grantor by deed ~~xxxxxx~~ of T. H. Moffatt  
dated September 17, 1937, and recorded in the R. M. C. ~~xxxxxx~~ Office for Richland  
County in Deed Book "EH", at Page #38.

Right-of-Way to begin at existing Pole #292507 and extend in a northeasterly  
direction along and parallel to Grantor's northerly property boundary for a  
distance of 320 feet, more or less, then to turn and extend in a northerly  
direction along and parallel to Grantor's westerly property boundary for a  
distance of 680 feet, more or less. Location of facilities being shown more  
fully on South Carolina electric and Gas Company Drawing #D-27,783.

EXHIBIT

OCT 21 1986 NO. 1

STATE BUDGET & CONTROL BOARD

Together with all rights and privileges necessary or convenient for the full enjoyment and use as provided for herein including the  
right of egress and ingress for the purposes aforesaid.

Provided, however, any damage to property of Grantors (other than to property cleared or removed as hereinbefore provided) caused  
by Grantee in the course of constructing, operating and maintaining the said lines shall be borne by Grantee.

Grantee's rights shall be subject to the lien of the mortgage indenture dated January 1, 1945 and supplements thereto, entered into  
between Grantee and Central Hanover Bank and Trust Company (now Manufacturers Hanover Trust Company) which mortgage  
indenture is recorded in the office of the R. M. C. or Clerk of Court in the County and State aforesaid.

The words "Grantors" and "Grantee" shall include their heirs, executors, administrators, successors and assigns as the case  
may be.

IN WITNESS WHEREOF, Grantors have duly executed this indenture the day and year first above written:

WITNESS:

\_\_\_\_\_  
Clemson University (SEAL)

\_\_\_\_\_  
by: (SEAL)

Approved by Budget and Control Board (SEAL)  
October 21, 1986

Jesse A. Coles, Jr. (SEAL)  
Jesse A. Coles, Jr., Ph.D.

04056

RW-11-E - SC (Rev. 11-84)

STATE OF SOUTH CAROLINA,

County of \_\_\_\_\_

} ss

Personally appeared before me \_\_\_\_\_

and made oath that he saw the within named \_\_\_\_\_

sign, seal and

as his act and deed deliver the within easement for the uses and purposes therein mentioned, and that he with \_\_\_\_\_

in the presence of each other, witnessed the due execution thereof.

Sworn to before me this \_\_\_\_\_

day of \_\_\_\_\_

A. D., 19 \_\_\_\_\_

Notary Public for S. C. \_\_\_\_\_

STATE OF SOUTH CAROLINA,

County of \_\_\_\_\_

} ss

Personally appeared before me \_\_\_\_\_

and made oath that he saw the within named \_\_\_\_\_

sign, seal and

as his act and deed deliver the within easement for the uses and purposes therein mentioned, and that he with \_\_\_\_\_

in the presence of each other, witnessed the due execution thereof.

Sworn to before me this \_\_\_\_\_

day of \_\_\_\_\_

A. D., 19 \_\_\_\_\_

Notary Public for S. C. \_\_\_\_\_

STATE OF SOUTH CAROLINA,

County. }

Personally appeared before me \_\_\_\_\_

and made oath that \_\_\_\_\_ saw the within named \_\_\_\_\_

Clemson University

by the hand of \_\_\_\_\_

sign, affix the

corporate seal, and as the act and deed of said corporation deliver the within written instrument for the uses and purposes therein mentioned, and that \_\_\_\_\_ with \_\_\_\_\_

witnessed the execution thereof and

subscribed their names as witnesses thereto.

Sworn to and subscribed before me this \_\_\_\_\_

day of \_\_\_\_\_

A. D., 19 86

(L. S.)

Notary Public for S. C. \_\_\_\_\_

EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET & CONTROL BOARD

Line \_\_\_\_\_

County Richland

**RIGHT OF WAY GRANT**

R/W File No. \_\_\_\_\_

Block No. \_\_\_\_\_

Clemson University

by: \_\_\_\_\_

TO

**South Carolina Electric & Gas  
Company**

Dated \_\_\_\_\_, 19 86

Received in the Clerk's Office of the County

of \_\_\_\_\_

South Carolina, on the \_\_\_\_\_

day of \_\_\_\_\_

A. D. 19 \_\_\_\_\_

at \_\_\_\_\_

o'clock in the \_\_\_\_\_

noon

and recorded in Book \_\_\_\_\_

of Deeds

for said County on Page \_\_\_\_\_

04057

# BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly

2. Subject: Right-of-Way Easement

3. Summary Background Information:

This is a utility easement between Southern Bell and the Wil Lou Gray Opportunity School. Southern Bell proposes to install telephone equipment across 10 acres of the State's property in Lexington County.

This proposed easement is being presented to the Budget and Control Board pursuant to Section 1-11-100 of the S.C. Code of Laws, 1976, as amended, which requires Board approval for easements crossing State Agency-owned lands.

4. What is Board asked to do?

Review and approve the proposed easement.

EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET & CONTROL BOARD

5. What is recommendation of the Board Division involved?

That the proposed easement be approved.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Original easement (2 pages)
2. Drawing

(c)

04058



**Southern Bell****Right Of Way Easement**

In consideration of the sum of money hereinafter set out and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged from the Southern Bell Telephone and Telegraph Company, the undersigned, owner(s) of the premises described below, do hereby grant to the Southern Bell Telephone and Telegraph Company, its licensees, agents, successors, assigns, and allied and associated companies, a right of way easement to construct, operate, maintain, add or remove such lines or systems of communications or related services as the grantee may require, consisting of:

- (1) Poles, guys, anchors, aerial cables and wires;
- (2) Buried cables and wires, cable terminals, markers, splicing boxes and pedestals;
- (3) Conduits, manholes, markers, underground cables and wires;
- (4) And other amplifiers, boxes, appurtenances or devices

upon over and under a strip of land 10 feet wide across the following lands in Lexington County, State of South Carolina generally described as follows:

that parcel of land bordered on the north, east, and west by lands now or formerly the property of South Carolina Budget and Control Board and on the south by Boston Avenue. The owner grants to Southern Bell Telephone and Telegraph Company a 10' utility strip for the purpose of placing telephone equipment. This parcel is better described by the sketch on the reverse side and on Lexington County Tax Map #5699, Block 2, Lot 3.

and, to the fullest extent the undersigned has the power to grant, if at all, over, along and under the roads, streets or highways adjoining or through said property.

The following rights are also granted: to allow any other person or company to attach wires or lay cable or conduit within the right of way for communications or electric power transmission or distribution; ingress and egress to said premises at all times; to clear the land and keep it cleared of all trees, undergrowth or other obstructions within the easement area; to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the easement area which might interfere with or fall upon the lines or systems of communications or power transmission or distribution.

The receipt of one and no / 100 Dollars ( \$ 1.00 ) is hereby acknowledged by the undersigned.

To have and to hold the above granted easement unto Southern Bell Telephone and Telegraph Company, its successors and assigns forever.

IN WITNESS WHEREOF, the undersigned has signed on October 21, 19 86.

Signed, sealed and delivered  
in the presence of:

Kathleen M. Deffen  
Witness

William A. McInnis  
Witness

Richard W. Riley L.S.  
Name: Richard W. Riley  
Governor  
Name: \_\_\_\_\_ L.S.

State of South Carolina  
Name of Corporation

Attest:

\_\_\_\_\_  
Corporate Officer

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT

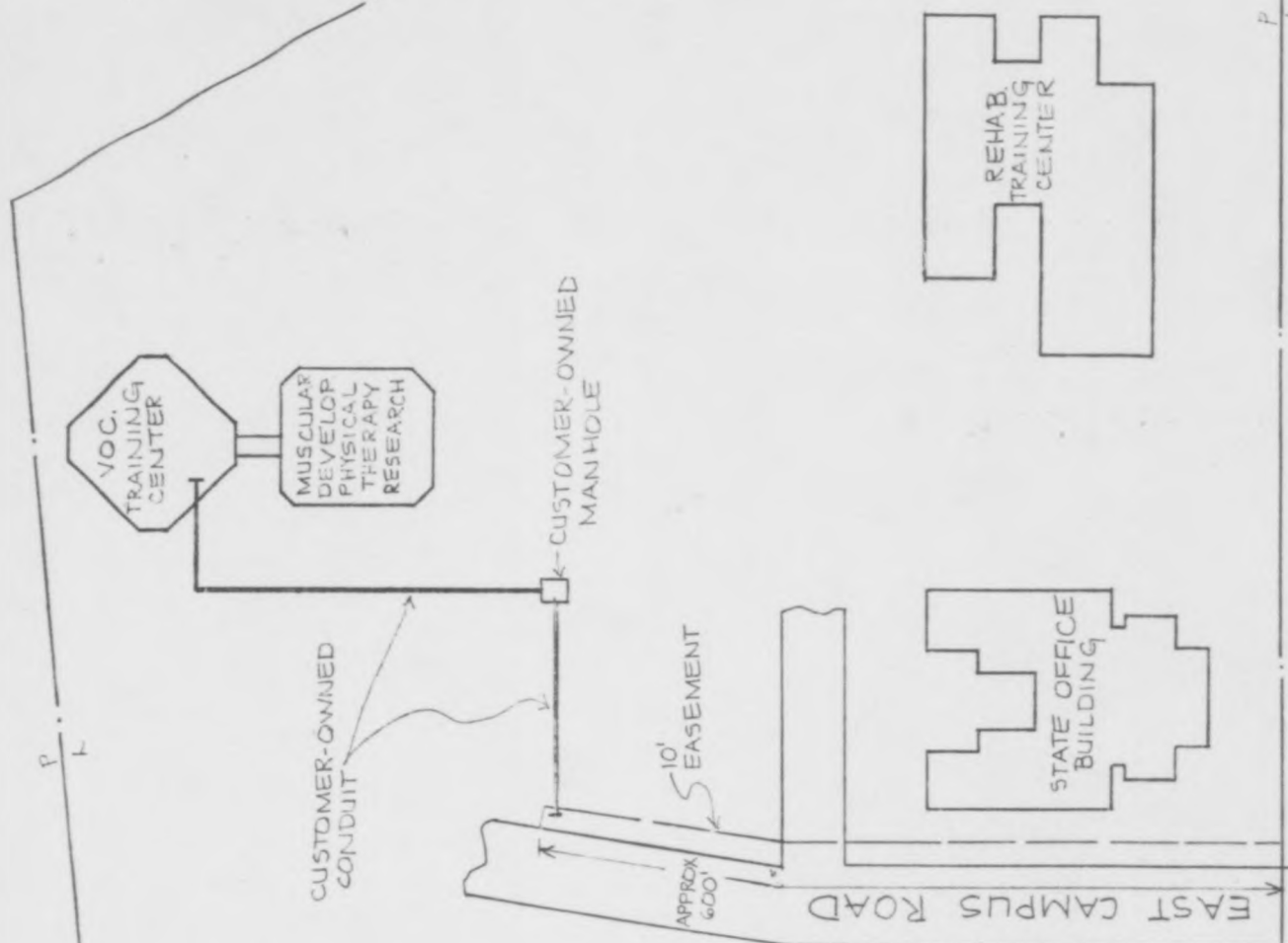
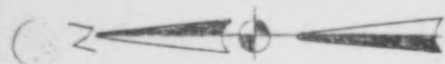
OCT 21 1986 NO. 1

STATE BUDGET & CONTROL BOARD

\_\_\_\_\_  
Southern Bell Representative

\_\_\_\_\_  
Southern Bell Authority Number

04059



BOSTON AVENUE

## EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET & CONTROL BOARD

04C60

ACKNOWLEDGMENTS  
FOR USE IN THE STATE OF SOUTH CAROLINA

INDIVIDUAL FORM

EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET & CONTROL BOARD

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Personally appeared before me \_\_\_\_\_, who, being duly sworn,  
says that he saw the within name \_\_\_\_\_ sign, seal, and as his act and deed,  
deliver the foregoing instrument, and that he, with \_\_\_\_\_, witnessed the  
execution and delivery thereof.

\_\_\_\_\_  
Affiant

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

CORPORATION FORM

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Personally appeared before me William A. McInnis, who, being duly sworn,  
says that he saw Richard W. Riley, Governor of South Carolina  
a corporation, sign and seal the foregoing instrument, and that he, with  
Katherine M. Hepfer witnessed the execution and delivery thereof as the act and deed  
of said corporation.

William A. McInnis  
Affiant

Sworn to and subscribed before me this 21st day of October, 1986

Donna K. Williams  
Notary Public

04061

My Commission Expires: 5/3/89

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject: Right-of-Way Easement

3. Summary Background Information:

This is an easement from the State to the City of Anderson for the purpose of constructing, installing, operating and maintaining an aerial sewer line across Rocky River in Anderson County.

This proposed easement has been reviewed and approved by the Attorney General's Office, and executed by Richard L. Woodruff, City Manager, on behalf of the City of Anderson.

EXHIBIT

OCT 21 1986

NO. 1

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Review, approve and execute the proposed easement.

5. What is recommendation of the Board Division involved?

That the proposed easement be executed by the Board.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Original Easement (5 Pages)
2. Drawing dated August 11, 1986

(d)

04C62



# EXHIBIT

STATE OF SOUTH CAROLINA )  
COUNTY OF ANDERSON )

EASEMENT OCT 21 1986 NO. 1  
STATE BUDGET & CONTROL BOARD

THIS EASEMENT, made and entered into this 2nd day of October, 1986, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and the City of Anderson, as Grantee (hereinafter "CITY").

## WITNESSETH

WHEREAS, CITY is a chartered municipality. CITY's mailing address is Post Office Box 2827, Anderson, South Carolina 29622; and

WHEREAS, CITY proposes to construct, install, operate and maintain an aerial sewer line across Rocky River in Anderson County, South Carolina. The aerial sewer line and easement area are more particularly shown and delineated on a drawing entitled "PROPOSED SANITARY SEWER LINE LOCATION FOR GARY LUPER" dated August 11, 1986, by R. D. Garrison, RLS, which is attached hereto and incorporated herein by reference as Exhibit A.

WHEREAS, pursuant to Section 1-11-90 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of sewer lines over, on, or under such land or marshland as are owned by the STATE; and

WHEREAS, CITY is desirous of obtaining the hereinafter described easement through and over riverbeds and marshlands in Anderson County, and the STATE considers the granting of such an easement to be in the public interest.

04C63

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto City, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Anderson County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the construction, installation, operation and maintenance of said aerial sewer line across Rocky River in Anderson County, South Carolina. The easement area is more particularly described as follows:

A 60' wide (30' on each side of the centerline plus an additional 20' per side for temporary use for construction) easement beginning at a point on the northwest bank of the Rocky River, approximately 186' east of the property line between the property of Margaret Gallant Sullivan and J. Gary Harper, Jr., and extending across the Rocky River to the southeast bank on a bearing of South 59 Degrees 18 Minutes East. The distance across the stream bed is 52'. The minimum clearance is 6' at the channel crossing.

The aerial sewer line and easement area are more particularly shown and delineated on a drawing entitled "PROPOSED SANITARY SEWER LINE LOCATION FOR GARY LUPER" dated August 11, 1986, by R. D. Garrison, RLS, which is attached hereto and incorporated herein by reference as Exhibit A.

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

CITY hereby agrees and covenants with the STATE that CITY, its successors and assigns, shall not block or obstruct navigable

waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. CITY shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said aerial sewer line, and shall maintain such easement area and sewer line in good condition.

CITY further agrees and covenants that CITY shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees resulting in personal injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

CITY WILL COMPLY WITH AND BE BOUND BY ANY AND ALL APPLICABLE STATE STATUTES, REGULATIONS, AND TERMS AND CONDITIONS OF ANY PERMITS OR AGREEMENTS CONCERNING THIS PROJECT AND ANY AND ALL LANDS AND WATERS INVOLVED THEREWITH.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if CITY, its successors and assigns: (1) quits and abandons all use of such aerial sewer line, in which case this easement of right-of-way shall terminate thirty (30) days after the

04065

date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 21 day of October, 1986.

WITNESSES:

STATE OF SOUTH CAROLINA  
BUDGET & CONTROL BOARD

Kathleen M. Hester  
William A. McFinnis

BY: Richard W. Riley  
Governor Richard W. Riley

Jean V. Bannis  
Shirley K. Boelt

CITY OF ANDERSON

BY: Richard W. Workup  
TITLE: City Manager

EXHIBIT

OCT 21 1986 NO. 1

STATE BUDGET & CONTROL BOARD

APPROVED AS TO FORM

Kenneth B. Woodruff  
Attorney General's Office

04066



STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

PERSONALLY appeared before me William A. McInnis  
and made oath that he/~~she~~ saw the within named State of South Carolina  
Budget and Control Board, by its Chairman, Governor Richard W. Riley,  
sign, seal, and as its act and deed deliver the within written Easement,  
and that he/~~she~~, along with Katherine M. Hepfer, witnessed the  
execution thereof.

William A. McInnis

SWORN to before me this 21st

day of October, 1986.

Donna K. Williams (L.S.)  
Notary Public for South Carolina

My Commission Expires: 5/3/89

\*\*\*\*\*

STATE OF SOUTH CAROLINA )

COUNTY OF ANDERSON )

PERSONALLY appeared before me Joan V. Burriss  
and made oath that he/she saw the within named City of Anderson,  
by Richard L. Woodruff, its City Manager,  
sign, seal, and as its act and deed deliver the within written  
Easement, and that he/she, along with Shirley K. Bolt,  
witnessed the execution thereof.

Joan V. Burriss

SWORN to before me this 2nd

day of October, 1986.

James H. Mitchell (L.S.)  
Notary Public for South Carolina

My Commission Expires: 4-4-90

C4C67

STATE OF SOUTH CAROLINA  
ANDERSON COUNTY  
BROADWAY TOWNSHIP  
SCHOOL DISTRICT NO. 5

HIGHLAND ACRES  
SUBDIVISION

FAIRMONT ROAD

MARGARET GALLANT  
SULLIVAN

46 / 202

EXISTING  
M.H.  
SAN SEWER

452 - 20 E

P/L 1+08.6

295.0

ROCKY RIVER

S 59 - 18 E

J. GARY HARPER, JR.  
4-6/364 & 17-C/912

1"=100'  
scale  
100 0 100 200  
feet

J. GARY HARPER, JR.  
4-6/364 & 17-C/912

469 01 E

LUPER

P/L 9+79.3

P/L

04068

ROBERT D. GARRISON  
REG. LS. NO. 3972  
2702 CALROSSIE RD. P. O. BOX 297  
ANDERSON, S. C. 29621  
PHONE 225-1650

PROPOSED SANITARY SEWER LINE LOCATION  
FOR GARY LUPER

R. D. GARRISON, REG. LS. 3972  
8-11-86

*R. D. Garrison*

# EXHIBIT

OCT 21 1986 NO. 2

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

BLUE AGENDA  
ITEM NUMBER

2

AGENCY: Lease/Purchase Study Committee

SUBJECT: Status Report

The Committee (Bond Committee appointees Scott Inkley, Sue Hooks, Bob Toomey and Bill Jordan and Board appointees Craig Bower, Mike Ey and Bill McInnis) has met on three occasions and plans to have its work completed by the end of November.

The Committee expects to examine lease purchase and other private funding mechanisms, as the proviso requires, and to offer recommended processes for deciding when and for what types of improvements private funding mechanisms are appropriate. It will review recent South Carolina experience in this area and that of other states.

As it begins its study, the Committee is gathering information and is taking a very broad view of the scope of the study which it expects to narrow as the work progresses.

BOARD ACTION REQUESTED:

Receive as information a report that the study of lease purchase and other private funding mechanisms by the Board-Bond Committee appointees is underway with completion of the staff report scheduled for the end of November.

ATTACHMENTS:

04069

# EXHIBIT

OCT 21 1986

NO. 3

## STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF October 21, 1986

ITEM NUMBER

3

AGENCY: Retirement Systems

SUBJECT: Report to General Assembly

Pursuant to Section 172 of the 1986-87 Appropriations Act, attached is the report to the General Assembly on the establishment of a preferred provider organization.

Section 172 states:

The Budget and Control Board shall investigate the feasibility of allowing state employees to use doctors, hospitals, and dentists and other health care providers who have contracted with the State's administrator for reduced costs in return for a dedicated interest in the State making a commitment to refer its employees to the Preferred Providers organization. The Board shall mail a report of the investigation to each member of the General Assembly no later than October 15, 1986. This section in no way mandates an acceptance of the report by the General Assembly.

Retirement Systems staff advise that a copy has been sent to the Clerk of the Senate and the Clerk of the House.

### BOARD ACTION REQUESTED:

Receive as information the Retirement Systems report on the establishment of a preferred provider organization and transmit it to the General Assembly in accord with Section 172 of the 1986-87 Appropriations Act.

### ATTACHMENTS:

Agenda item worksheet and referenced report

04070



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

October 21, 1986

1. Submitted By:

(a) Agency: South Carolina Retirement Systems

(b) Authorized Official Signature:

*David W. Cohen*

2. Subject:

Report required by Section 172 of the 1986-87 Appropriations Act.

3. Summary Background Information:

SEC. 172. The Budget and Control Board shall investigate the feasibility of allowing State employees to use doctors, hospitals, and dentists and other health care providers who have contracted with the State's administrator for reduced costs in return for a dedicated interest in the State making a commitment to refer its employees to the Preferred Providers organization. The Board shall mail a report of the investigation to each member of the General Assembly no later than October 15, 1986. This section in no way mandates an acceptance of the report by the General Assembly.

EXHIBIT

OCT 21 1986

NO. 3

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Receive as information and transmit to both houses of the General Assembly.

5. What is recommendation of the Board Division involved?

Receive as information.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Report to the Budget and Control Board of the State of SC on Establishment of a Preferred Provider Organization

04071

# EXHIBIT

1

OCT 21 1986 NO. 3

STATE BUDGET & CONTROL BOARD

REPORT TO THE  
BUDGET AND CONTROL BOARD  
OF THE STATE OF SOUTH CAROLINA  
ON ESTABLISHMENT OF A  
PREFERRED PROVIDER ORGANIZATION

October 1986

04072

## INTRODUCTION

This report is prepared in response to Section 172 of the Appropriations Act, which requires the Budget and Control Board to investigate the feasibility of establishing a Preferred Provider Organizations (PPO) for participants in the State's plan for employees and employees of the public schools in South Carolina. To quote from the Act, "the Budget and Control Board shall investigate the feasibility of allowing State employees to use doctors, hospitals and dentists and other health care providers who have contracted with the State's administrator for reduced costs in return for a dedicated interest in the State making a commitment to refer its employees to the preferred provider organization."

The following sections of this report discuss the objectives the State might achieve in establishing a PPO, the underlying assumptions which would have to be realized in order to make such an organization functional, and finally, the conclusion which is to the effect that a PPO is feasible.

## EXHIBIT

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STATE BUDGET & CONTROL BOARD

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## OBJECTIVES

The State has experienced steadily advancing funding requirements for the health insurance plan. In fiscal year 1982, the State's contribution was \$36.22 per month per employee. The contribution for fiscal year 1987 is \$67.27, and is projected to be \$82.47 for fiscal year 1988. If the funding were established at a rate which would restore a reserve equal to 1-1/2 months paid claims, then the rate should be advanced to \$91.35 per month. If the rates were established at a level which would develop a reserve equal to the calculated liability for incurred but unreported claims, then the rate should be \$97.14. Increases of similar magnitude would be passed on to employees to cover the cost of covering their dependent family members and/or participation in the "expanded plan B."

The emphasis in this report is on a medical PPO. The same general principles apply for the dental plan, but the need at this time is not so pressing.

The steady advance in funding costs can be traced to any one or more of several sources. First, there is a fairly steady advance in the prices of medical facilities and services. This is estimated to be about 7% per year as a national average. Then there is the cost associated with the increasing complexity of medicine, and the availability of life saving but expensive procedures that were not available only a few years ago. Finally, there is the probability that medical facilities and services are being over used by the participants in this program.

At one time, utilization of medical facilities and services was limited on the supply side. This is no longer the case. There is an over supply of hospital beds in most urban areas, and there is an abundance of physicians and other medical personnel in most urban areas, but not necessarily in rural areas of the State or the Nation.

For a hospital to maintain its share of the market or for a physician to maintain his census of patients, would it not be reasonable to gain assured market share from a "preferred source" in exchange for certain concessions on

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price and utilization? That is the essence of the preferred provider concept. The State would so design and manage its plan that participating medical facilities and services would be favored over non-participants, and in exchange the State and the plan participants would receive a cost advantage when those preferred facilities were employed.

It is too much to expect that a preferred provider organization could roll back funding rates that are already in place. It could be anticipated that funding costs in the future will escalate at reduced rates, or perhaps be stable for longer periods of time. For a preferred provider organization to exist, certain assumptions have to be made and realized. This is the subject of the next section of this report.

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## ASSUMPTIONS

### Participation

The State could require that all participants in the plan deal with the preferred provider organization in order to receive benefits under the State program. An example of this approach is the recent agreement by Lockheed to the effect that its employees at a certain location, presumably in California, would be limited to care in the one or more health maintenance organizations (HMOs) with which the company had contracted. The alternative arrangement is a system of incentives which would encourage the participants in the State plan to utilize the preferred provider organization. Whether the preferred provider organization uses a carrot or a stick approach to elicit the patronage of the participants is largely a function of plan design.

### Plan Design

The present State plans include a level of basic coverage, i.e. for hospital, surgical, in-hospital doctor visits, and certain outpatient diagnostic work that is covered in full without deductible or coinsurance. Overlying the basic coverage is a major medical plan which pays part or all of covered expenses in excess of a deductible. The expanded plan B, to which the vast majority of participants belong, essentially sets out to pay practically all of an employee's medical expenses. For such a plan to co-exist in a PPO setting, substantial disincentives would have to be introduced. For instance, instead of paying 100% under the basic plan, reduce the benefit percentage to 80% if non-PPO facilities were used. Of course, if out-of-State facilities were used, then the regular plan benefits would apply.

Consultants have recommended that the basic plus major medical plan design be replaced by comprehensive major medical, which sets out to pay a percentage of all medical expenses in excess of a plan year deductible. The percentage is 80% (Plan A) or 90% (Plan B) until a given level of medical expenses is achieved, and thereafter is 100%. Under such a plan design, an incentive to use PPO facilities would take the form of waiving the deductive and/or the co-

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insurance, thereby providing a financial incentive to the participant to seek out the preferred provider.

#### Cooperation by Providers

For a preferred provider organization to exist, there must be cooperation or participation by a reasonable share of the medical facilities in the State, spread evenly geographically over the entire State. Indeed, medical facilities in Savannah, Augusta and Charlotte might be participants in the program. Employees in every area of the State, urban and rural, should have reasonably close access to a preferred provider, be that a hospital, a clinic, individual physician, or dentist.

The physicians in South Carolina are concerned about the growing encroachment of corporate medicine in the practice of medicine in South Carolina. Typical of this development are the health maintenance organizations, particularly the closed-panel health maintenance organizations, where the physicians are regular employees of the corporation. A classic example is the Kaiser-Permanente organization so successful on the West Coast and now establishing itself in the Carolinas. Another is typified by Humana, Inc., which employs numbers of physicians to staff its outpatient diagnostic and emergency treatment centers. Other hospital chains may also employ doctors to staff their local facilities. Organized medicine in South Carolina, represented by the State and Local Medical Societies, may very well be willing to cooperate in the development of a preferred provider organization for the State. Indeed, some conversations along this line have already taken place between representatives of the Medical Societies and consultants and staff of the Retirement System.

The Medical University of South Carolina in Charleston has perceived a threat to its share of the patient census emanating from the proliferation of HMOs which do not include the Medical University among the contracting hospitals. The Medical University of South Carolina is investigating establishing itself as a preferred provider organization for participants in the State plan in the Charleston area. The Medical University of South Carolina also has arrangements with a number of other hospitals throughout the State, and these could also be brought into the system.

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Either starting a preferred provider organization from scratch in concert with the Medical Society of South Carolina, or building on the base of a limited PPO started by the Medical University of South Carolina, will involve a considerable effort on the part of the State. Not only is there the matter of establishing the relationship with the preferred providers, there is the critical need to be able to monitor the results. The agreement with providers would probably take the form of agreement on fee schedules, and in the case of hospitals, some agreement along the style of the diagnostic-related groups, or DRGs, utilized in the Medicare program. The ability to monitor the results is the only way that the State can assure itself that concessions on benefits are more than compensated for by controls on utilization and prices.

An alternative to starting a PPO from scratch would be utilizing the facilities of one of the already existing State-wide preferred provider organizations. These organizations have already established relationships with providers throughout the State and have in place the automated systems to receive, analyze and report on plan utilization. Given the size of the State group, it should be reasonable to establish a joint venture which would achieve the desired results without sacrificing the identity of the State program to an outside third party.

## EXHIBIT

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# EXHIBIT 8

CONCLUSION

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In the absence of a preferred provider organization, the only alternative to continuing increases in the contributions required of the State and plan participants seems to be a reduction in benefits in the form of first dollar deductibles and early co-insurance of small to medium size claims. This reduction in benefits could be offset by patronage of a preferred provider under contract to the State or its plan administrator. This contract would provide for control of the prices of medical services and the promise of control over utilization. The promise could be monitored by a data base established by the State or by a third party contracted to run a PPO for the State.

There are no substantial barriers, other than the expense of establishing the mechanism to run the PPO, to creating a preferred provider organization for the State. If expectations are realized, then the cost of the medical benefit plan may be under control that is presently lacking. The plan participants may access "full coverage" as under the present Plan B by using PPO services.

The first step is the modification of the existing plan of benefits, and this step may be taken as a cost control measure regardless of the development of a PPO. The next decision is whether the PPO is to be developed by the State in concert with the medical community. An alternative is using the services of already existing PPOs on either a direct or a joint venture basis.

Concurrently, there needs to be developed a standard, or an objective, that the State wishes to achieve in the level of medical fees, utilization of hospital facilities, and the like.

Finally, there needs to be put in place a means of evaluating the performance of the program in light of those objectives.

Developing these alternatives can proceed without a firm commitment on the part of the State until such time as the structure and probable results are well defined.

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# EXHIBIT

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NO. 4

STATE BUDGET AND CONTROL BOARD AGENDA  
MEETING OF October 21, 1986

ITEM NUMBER

4

AGENCY: Department of Corrections

SUBJECT: Seventh Quarterly Report on Nelson Suit Compliance

The seventh quarterly report on the Nelson Suit compliance indicates that compliance problems, mostly related to inmate housing, were experienced during the July-September 1986 period.

The Department notes that these housing noncompliances resulted primarily from unexpected inmate admissions increases. When the Consent Decree was signed, net admissions of 30 to 50 inmates per month were expected. Since then and through May 1986 admissions averaged 73 per month with highs of 119 in the months of March through June of 1986.

Details are in the attachment. The complete report also is available.

BOARD ACTION REQUESTED:

Receive as information the Seventh Quarterly Report on Nelson Suit Compliance by the Department of Corrections.

ATTACHMENTS:

Extract from referenced report

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# EXHIBIT

INTRODUCTION

OCT 21 1986

NO. 4

## STATE BUDGET & CONTROL BOARD

*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 paragraph 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 commence with the ratification of the Decree by the parties to this action (paragraph III (T)).*

*This "Seventh Quarterly Report on Compliance" is separated into two major sections. The first section contains a listing of the approximately 238 identifiable issues in the Decree, with such issues broken down into 17 compliance categories. The first portion of the report further details the activities undertaken during this reporting period to achieve compliance with each issue. The second section of the report serves as an index to the report, identifying each issue contained in the report; summarizing the compliance status of each issue; and reporting the page number on which specific compliance information pertaining to each issue can be located in the body of the report.*

### Summary of Major Compliance Activities

During this reporting period (July, 1986 to September 1986), the Department experienced a number of compliance problems related to specific housing requirements contained in the Decree. Specifically, the Department was (1) triple-celling a certain number of inmates at various SCDC institutions in violation of the terms of the settlement; (2) involuntarily double-celling a certain number of protective custody inmates and inmates housed in lock-up status at various institutions; and, (3) housing inmates in areas within certain institutions that Plaintiffs' counsel deemed as being unsuitable for inmate housing, i.e., dayrooms. During the month of July, approximately 530 inmates were being housed in such a manner as described above.

It should be noted that such housing non-compliances were primarily the result of an unanticipated monthly increase in the average number of inmate admissions to the Department. At the time of signing, for example, the Department anticipated and agreed that the average number of net admissions would be between 30 and 50 inmates per month. However, from the time of signing (January, 1985) through May, 1986, inmate admissions

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were averaging approximately 73 inmates per month; between the months of March to June, 1986, average monthly inmate admissions were as high as 119 per month. Thus, the Department was faced with a demand for bedspace in excess of the total supply of the same.

Despite the Department's efforts to effectively manage such inmate admissions (Departmental officials requested and were denied a fifth Emergency Powers Act roll back of inmate sentences which would have effected an early release of inmates from the Department; accelerated placement of inmates to the newly constructed Lieber Correctional Institution; and, built an additional housing unit at the Manning Correctional Institution and accelerated construction of a second at the Goodman Correctional Institution), Plaintiffs' counsel submitted to the Court a "Petition for Supplemental Relief" in an effort to order the Department into compliance with the terms of the Settlement.

On July 22, 1986, the Court reviewed the petition and subsequently ordered the Department of Corrections to reduce the approximately 530 non-compliance beds to at least 330 within 15 days, or by August 6, 1986, and further ordered the Department to eliminate all the remaining beds placed in non-compliance with the terms of the Settlement at various institutions within 60 days, or by September 20, 1986. Plaintiffs counsel also included in their petition their objections to the use of a 96-bed housing unit constructed on the grounds of the Manning Correctional Institution and the Department's use of the Officer's Quarters at the Central Correctional Institution to house approximately 139 initial gains to the Department; however, the Court Order allows the Department to continue use of these units for six months at which time the Court will make a determination as to their continued use as inmate housing units.

During this reporting period, the Department complied with the terms of the Court Order of July 22, 1986, and currently, the Department is in compliance with all of the housing issues contained within the Decree which are applicable at this time. The first portion of the court order requiring the Department to reduce the number of non-compliance beds to at least 330 by August 6, 1986, was complied with on August 5, by releasing early 149 non-violent offenders approximately 27 days before their scheduled release dates; accelerating placement of a certain number of inmates to the new Lieber Correctional Institution; and, by completing construction and subsequently placing approximately 96 inmates in a newly constructed housing unit on the grounds of the Goodman Correctional Institution. On August 5, 1986, there were a reported 265 non-compliance beds throughout the Department -- 65 less than the maximum number required under the terms of the Court Order.

The second portion of the Court Order requiring the Department to eliminate all remaining non-compliance beds was complied with on September 19, 1986. In order to achieve compliance with this portion of the Order, Departmental officials requested and were approved funding by the General Assembly for the construction of three, new 96-bed housing units which would afford the Department 288 additional bedspaces. Construction of these units was completed during the week of September 15, 1986, and inmates were subsequently placed in the units at this time. (It

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should be noted that the three units are located on the grounds of the Walden, Northside and MacDougall Youth Correctional Centers and all are considered minimum security housing units.) Departmental officials further accelerated placement of inmates to the new Lieber Correctional Institution at a rate of 30 to 40 inmates per week in order to achieve compliance with the Court Order. Previous placement of inmates to this facility was occurring at a rate of 30 to 40 every two weeks. In addition to the above, the parties to the Settlement also signed an "Interim Agreement" which allows 50 cubicles at the Campbell Work Release Center and six cubicles at the Lower Savannah Work Release Center to be triple-housed for 60 days beginning September 17, 1986, provided that the Department provide such inmates with additional privileges and seek funding for a 48 bed addition to the Palmer Work Release Center. This agreement further enabled the Department to achieve compliance by allowing inmates who have been approved for work release but who are housed at other institutions to be transferred to either the Campbell or Lower Savannah Work Release Centers, in turn freeing up bedspace at various Departmental Institutions. To date, the Department does not have any beds placed in any institution in a manner which would constitute a violation of the terms of the Agreement.

#### Abbreviations

It should be noted that the following abbreviations are used throughout this report:

ACA - American Correctional Association  
 ACR - Appalachian Correctional Region  
 CCR - Coastal Correctional Region  
 CAC - Commission on the Accreditation for Corrections  
 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

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STATE BUDGET & CONTROL BOARD

The following institutional abbreviations are also used:

AYCC - Aiken Youth Correctional Center  
 BCC - Byrnes Clinical Center  
 BRPRC - Blue Ridge Pre-Release/Work Release Center  
 CACI - Cross Anchor Correctional Institution  
 CaWRC - Catawba Work Release Center  
 CCI - Central Correctional Institution  
 CoWRC - Coastal Work Release Center  
 CWRC - Campbell Work Release Center  
 DCI - Dutchman Correctional Institution  
 GCI - Goodman Correctional Institution  
 GCC - Greenwood Correctional Center

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GYCC - Givens Youth Correctional Center  
KCI - Kirkland Correctional Institution  
LCI - Lieber Correctional Institution  
LiWRC - Livesay Work Release Center  
LSWRC - Lower Savannah Work Release Center  
MCI - Manning Correctional Institution  
MR&EC - Midlands Reception and Evaluation Center  
MSC - Maximum Security Center  
NCC - Northside Correctional Center  
PCI - Perry Correctional Institution  
PWRC - Palmer Work Release 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

# EXHIBIT

OCT 21 1986 NO. 4

STATE BUDGET & CONTROL BOARD

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 )  
South Carolina Board of )  
Corrections, )

Defendants. )

CIVIL ACTION NUMBER  
82-876-2

DEFENDANTS' SEVENTH QUARTERLY  
REPORT ON COMPLIANCE

Prepared by:

The Office of the Executive Assistant  
for Legal Settlements and Compliance

Laura Ann Osler, Executive Assistant  
for Legal Settlements and Compliance

Columbia, South Carolina  
October 8, 1986

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## EXHIBIT

OCT 21 1986 NO. 4

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INTRODUCTION

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## INTRODUCTION

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Despite the Department's efforts to effectively manage such inmate admissions (Departmental officials requested and were denied a fifth Emergency Powers Act roll back of inmate sentences which would have effected an early release of inmates from the Department; accelerated placement of inmates to the newly constructed Lieber Correctional Institution; and, built an additional housing unit at the Manning Correctional Institution and accelerated construction of a second at the Goodman Correctional Institution), Plaintiffs' counsel submitted to the Court a "Petition for Supplemental Relief" in an effort to order the Department into compliance with the terms of the Settlement.

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STATE BUDGET & CONTROL BOARD

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PCI - Perry Correctional Institution  
PWRC - Palmer Work Release 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

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SECTION I :

"Defendants' Seventh Quarterly Report  
on Compliance, October 8, 1986"

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SEVENTH QUARTERLY REPORT ON COMPLIANCE FOR NELSON  
October 8, 1986

CATEGORY I: NOTIFICATION

According to the terms of the Decree, all employees and inmates had to be made aware of all of the issues contained within the Decree. This was achieved initially by publishing a synopsis of the Decree in the SCDC Newsletter, "The Intercom" and in the INMATE GUIDE. Continued compliance is accomplished by providing:

1. all new SCDC employees with a one hour class during their week of orientation. This class is an overview of the Settlement and is conducted by a representative from the Legal Settlements and Compliance Office.
2. newly admitted inmates with an INMATE GUIDE and a verbal description of the Settlement during institutional orientation.

All institutions report that copies of the Decree are located in the libraries and/or housing units; as well as copies of the Quarterly Reports. Any inmate may receive a personal copy of the Decree by submitting a written request through the institutional head.

Quarterly Reports on compliance have been provided to Plaintiffs' Counsel, the Court, the South Carolina Board of Corrections, the Commissioner, Deputy Commissioners, SCDC Division Directors and Institutions. The "Sixth Quarterly Report on Compliance" was completed, printed and mailed by July 8, 1986.

\*NOTE: For further information on the "Notification" issue, see "Defendant's Sixth Quarterly Report on Compliance."

CATEGORY II: HOUSING

As noted in the "Introduction," the Department's compliance efforts relative to the Honorable C. Weston Houck's recent Court Order enabled the Department to achieve compliance with the housing issues listed below on September 19, 1986. The accelerated placement of a certain number of inmates at the Lieber Correctional Institution and the placement of approximately 384 inmates at four, new 96-bed housing units enabled the SCDC to eliminate the approximately 530 noncomplying bedspaces throughout the system. Additionally, a 60-day agreement made between the parties allowing the Department to triple-house a certain number of inmates at selected Work Release Centers also assisted Departmental officials with their compliance efforts. Further, an early release of approximately 149 non-violent inmates approximately 27 days before their actual release date on August 5, 1986, assisted the SCDC in accomplishing their compliance



objectives.

The sections below will further clarify our compliance status, to date:

1. Triple celling and cubicling will end in 30 days at all institutions except NCC, WRCI, LSWRC, CWRC...

- a. As of September 19, 1986, the SCDC is now in compliance with this requirement. An interim agreement made between the parties on September 16, 1986, allows the SCDC to triple-house 50 inmates at the CWRC and 6 inmates at the LSWRC for 60 days (until November 15, 1986). As a requirement of this agreement, all inmates triple-housed at CWRC and LSWRC are to be afforded with the following additional privileges:

1. the dayroom shall remain open for 24-hours for such inmates;
2. the weight area shall remain open until 12:00 a.m. every day; and,
3. telephone privileges will be afforded such inmates on a 24-hour basis, weekends only.

To date, the above privileges are being provided such inmates in order to comply with the terms of the agreement.

In addition to the above, the SCDC also agreed to seek funding from the General Assembly to construct a 48-bed unit at the Palmer Work Release Center.

- b. The triple celling noted at those institutions listed in the last Quarterly Report was eliminated through the the Department's efforts to comply with the terms of the Court Order of July 22, 1986. On August 5, 1986, the SCDC released 149 non-violent offenders approximately 27 days before their actual release dates and placed roughly 96 inmates in a housing unit constructed on the grounds of the Goodman Correctional Institution. On September 19, 1986, the Department achieved full compliance with the Court Order by placing approximately 288 inmates in three new housing units constructed on the grounds of MYCC, WCI and NCC. The additional bedspace provided at the LCI also assisted with the Department's compliance with this requirement.

- 2, 3 Triple celling will end at NCC, WRCI, CWRC, LSWRC at later dates...

- a. LSWRC and CWRC-See #1, above. An interim agreement made

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between the parties allows the Department to triple-house 50 inmates at CWRC and 6 at LSWRC until November 15.

- b. WRCI-Currently, there are no inmates triple housed at WRCI, see #1, above.
  - c. NCC-Currently, there are no inmates triple housed at NCC. The additional 96-bed housing unit at NCC enabled the Department to move the approximately 44 inmates triple-cubed at this institution on September 17, 1986.
4. An appendix will be created and attached to the Settlement which will list the maximum housing capacities for every institution based on the square footage requirements stated in the Decree.
- a. The appendix was completed before signing and is attached to the Decree and listed as Appendix F.
5. Inmates confined to their cells longer than 12 hours per day will receive 40 square feet of living space per inmate...
- a. As of September 19, 1986, all inmates in lockup status have either been single celled or double celled provided that they sign a "Voluntary Consent" form to be double celled.
- Inmates on lockup status at the following institutions are currently single celled: CACI, DCI, WRCI, AYCC.
- The following institutions have some inmates on lockup status double celled, but all such inmates have signed "Voluntary Consent" forms to this effect: MCI, SCI, PR&EC Dorms A, B and C, WCC, and CCI. It should be noted that it is difficult to provide specific information as to the actual number of inmates who have signed "Voluntary Consent" forms as this number changes on a daily basis. However, copies of "Voluntary Consent" forms are available at each of the aforementioned institutions for Plaintiffs' Counsel review, if necessary, to confirm the information above.
6. General population inmates, medium/maximum institutions receive 50 square feet of living space in wards and cells...
- a. Not required until January 8, 1988.
7. Minimum security inmates receive 50 square feet of space in cells and 45 square feet in dorms, rooms, cubicles, etc...
- a. Population reductions to meet this requirement will begin in July, 1988. Compliance to be achieved by January 8, 1990.

- 8,9. All capacities set forth in the appendix will be met...
- a. Compliance dates for this issue are 1/8/88 and 1/8/90, dependent upon institution's classification as minimum or medium/maximum security.
10. Inmates confined longer than 12 hours per day will receive 50 square feet of living space in all future institutions...
- a. Will be met at LCI upon its completion.
  - b. See, CATEGORY XII: CONSTRUCTION, for a report on the compliance efforts for the Construction Schedule contained in the Decree.
11. All inmates in wards, dorms and rooms at PRC's and WRC's will receive 45 square feet of living space....
- a. Compliance date is January 8, 1990.
12. Double celling can occur at minimum security institutions provided each inmate receives 45 square feet....
- a. See #1, #2 and #7, HOUSING, above for compliance information.
13. Inmates may be double celled with less than 50 square feet of living space at the following institutions: PCI (Dorms 1,2,3,4); CCI (CB-3); KCI (5 of 7 Dorms); MYCC (Dorms 1,2,3,4,5); and
- a. Compliance date is not until 1/88/88 for PCI, KCI and CCI and WCC, and 1/8/90 for MYCC.
14. Inmates housed in institutions on Protective Custody status can voluntarily request to be double celled...
- a. As of September 19, 1986, there are no Protective Custody inmates housed in any institution in double celled status who have not signed a "Voluntary Consent" form to be double celled.

Compliance information for this issue is as follows:  
(only those institutions with Protective Custody units are addressed below.)

INST.	COMPLIANCE	COMMENTS
BCC	Yes	P.C. inmates are single celled; doubled upon request provided both inmates consent
CCI	Yes	Inmates housed in Bldg. 5 are on "special" protective custody status whereby they

		are allowed out-of-cell time in excess of 12 hours per day. Inmates in this unit may be single celled or doubled celled upon request and approval of the Warden Compliance achieved; Upper level of A-II is used for P.C. inmates and inmates can be double celled provided both inmates consent
KCI	Yes	
MCI	Yes	Policy 1500.13; Inmate/Staff
SCI	Yes	Double celling allowed provided both inmates consent
WCC	Yes	Inmates may request to be double celled and such will be provided upon the approval of the Warden.
PCI	Yes	Double celling allowed provided both inmates consent
CACI	Yes	Double celling allowed provided both inmates consent
DCI	Yes	Double celling allowed provided both inmates consent

- b. SCDC developed a departmental policy entitled, "Voluntary Requests by Inmates in Protective Custody," to include the provisions of this requirement. This policy has reached the final stage of approval. After making the revisions as suggested by the Legal Advisor's Office, the policy should be published within the next reporting period. The policy has been assigned number 1500.13-2.

15. No inmate can be housed in an area not designed for, or deemed suitable for, housing...

- a. As of this reporting period all institutions are in compliance with this issue. The beds that were placed in a dayroom and an activities room at SCI during the last reporting period were removed during this quarter due to the additional bed spaces made available by the completion of the housing unit at GCI.

Also, WCC reports that the 12 beds which had been placed in a part of the institution designed originally as an infirmary have been removed. WCC will notify this office should there be a need to utilize this space for housing again.



- b. The outcome of the hearing on July 21, 1986 with regard to the use of housing units by the Department was favorable. In the future housing units may be used at minimum security institutions but not at a medium/maximum security institution. However, the Honorable C. Weston Houck ruled that the housing unit located at MCI could continue to be utilized but its use would be reviewed at the end of six months.
  - c. The 96 bed housing unit at GCI has been completed and is fully operational.
  - d. The 96 bed housing unit at NCC was completed 9/15/86 and is fully operational.
  - e. The 96 bed housing unit at MYCC was completed on 9/17/86 and is fully operational.
  - f. The 96 bed housing unit at WCI was completed on 9/18/86 and is fully operational.
- 16. No inmate housed in county facilities longer than 30 days...
  - a. Monthly reports of 9/8/86 indicate that all institutions are in compliance with this issue. Many institutions report that they check on the status of their inmates housed at county facilities every ten (10) days.
  - b. The Operations Branch has informed this office that all designated facilities require an inmate to sign a voluntary request form in order to be housed in a county facility.
- 17. SCDC can fluctuate above the counts set in the appendix provided that construction schedules are being met.
  - a. Construction is progressing. See CATEGORY XII: CONSTRUCTION for more information.
- 18. Capacities will be monitored at all institutions: Capacities at minimum can deviate 10% and capacities at medium and maximum security institutions can deviate 5% to 10%...
  - a. Not applicable at present time. Monitoring to begin after January 8, 1988.
- 19. Monitoring must be done to ensure that all minimum security institutions are having population reductions of 25% every six (6) months...
  - a. No progress has been made in this area. Compliance monitoring does not need to begin until 1/8/88.

20. The SCDC anticipates that an average net increase of 30 to 50 inmates per month can be expected as measured by quarterly reports...
  - a. The seventh quarterly report was submitted to this office on September 15, 1986 by the Director of Resource and Information Management. The average monthly facility count increase reported over the preceeding twenty (20) months period was 62. The 20 month count was based on the average monthly counts taken from January, 1985 to August 1986.
  - b. The next quarterly report will be submitted to this office on November 8, 1986.
21. Double bunking in wards at medium security institutions will be permitted only against the walls...
  - a. All regions medium and maximum security institutions reported compliance with this issue in their 9/8/86 monthly reports. (It should be noted that PCI, MR & EC and WCC have no wards.)
22. All double bunking in wards at medium security will cease...
  - a. Not applicable until January, 1988.
  - b. Double bunking at CCI and MCI ceased as a result of the Mattison Suit.
23. Future double bunking in the wards at minimum security institutions will be allowed only against the walls...
  - a. As of 9/8/86 all doublebunks in any ward at all minimum security institutions are against the walls.
24. Double bunking in wards at minimum security institutions will cease...
  - a. SCDC has until 1/8/90 to achieve compliance with this issue.

CATEGORY III: STAFFING

1. Submit a plan for hiring security personnel pursuant to the recommendation made with the NIC Staffing Study...
  - a. In order to comply with the guidelines for security staffing levels recommended by the NIC Consultant, Mr. Jim Henderson, the SCDC hired approximately 341 Nelson institutional positions during Fiscal Year 1985-1986. (A description of these positions is included in the "Defendant's Sixth Quarterly Report on Compliance." Currently 481 Nelson institutional positions have been

authorized for the SCDC by the General Assembly for Fiscal Year 1986-1987. To date, of the positions authorized 64 have been filled.

NELSON POSITIONS FOR FISCAL YEAR 1986-1987

INST.	# OF POSITITONS AUTHORIZED FY 86-87	# FILLED THRU 8-31-86
Aiken Youth	20	8
Byrnes Clinic	1	
Cross Anchor	20	
Central (CCI)	29	
Campbell	1	
Dutchman	9	
Goodman	22	9
Givens Youth	1	
Kirkland	34	
Lieber	22	1
Manning	38	9
Midlands R&E	82	
MacDougall	16	8
Northside	16	
Perry	23	3
Stevenson	19	
State Park	11	
Women's Center	52	18
Walden	30	8
Watkins	1	
Wateree	34	
TOTAL	481	64

2. The implementation plan for the recommendations made within the NIC Staffing Study will be developed...

- a. See, #1, above.

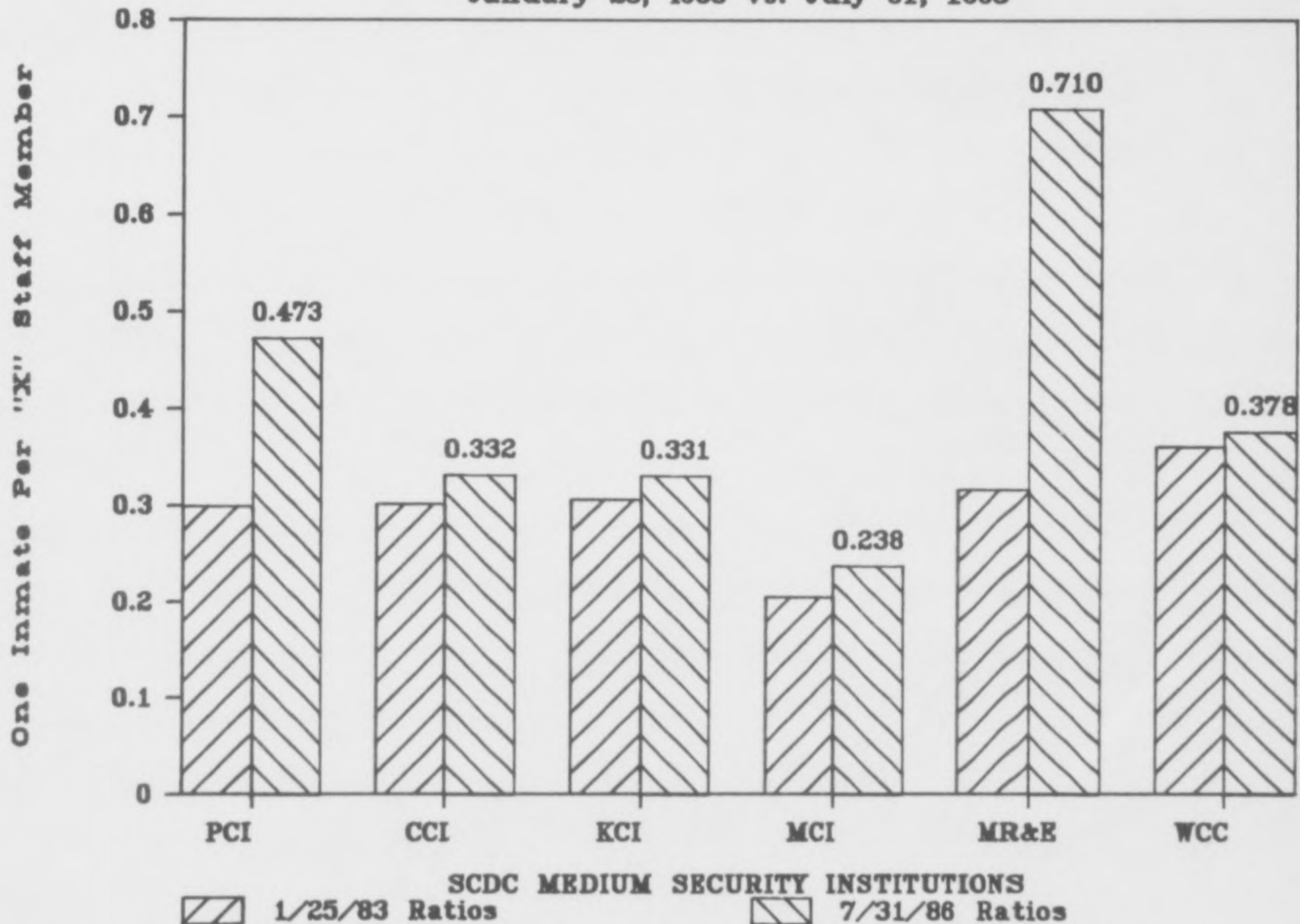
3. The inmate staff ratio for medium and maximum security institutions will not fall below the inmate staff ratio of 1/25/83...

- a. Inmate staff ratios for medium and maximum security institutions have been monitored through the Compliance Office on computer since October 1, 1984. Monitoring has been accomplished by comparing weekly inmate counts with the number of staff employed at each medium and maximum security institution. The reported inmate/staff ratio's on July 31, 1986 and August 31, 1986 are illustrated in Graphs A & B, on the following pages.

NOTE: All reported inmate/staff ratio's reflect one inmate

# MEDIUM SECURITY INMATE/STAFF RATIOS

January 25, 1983 vs. July 31, 1986



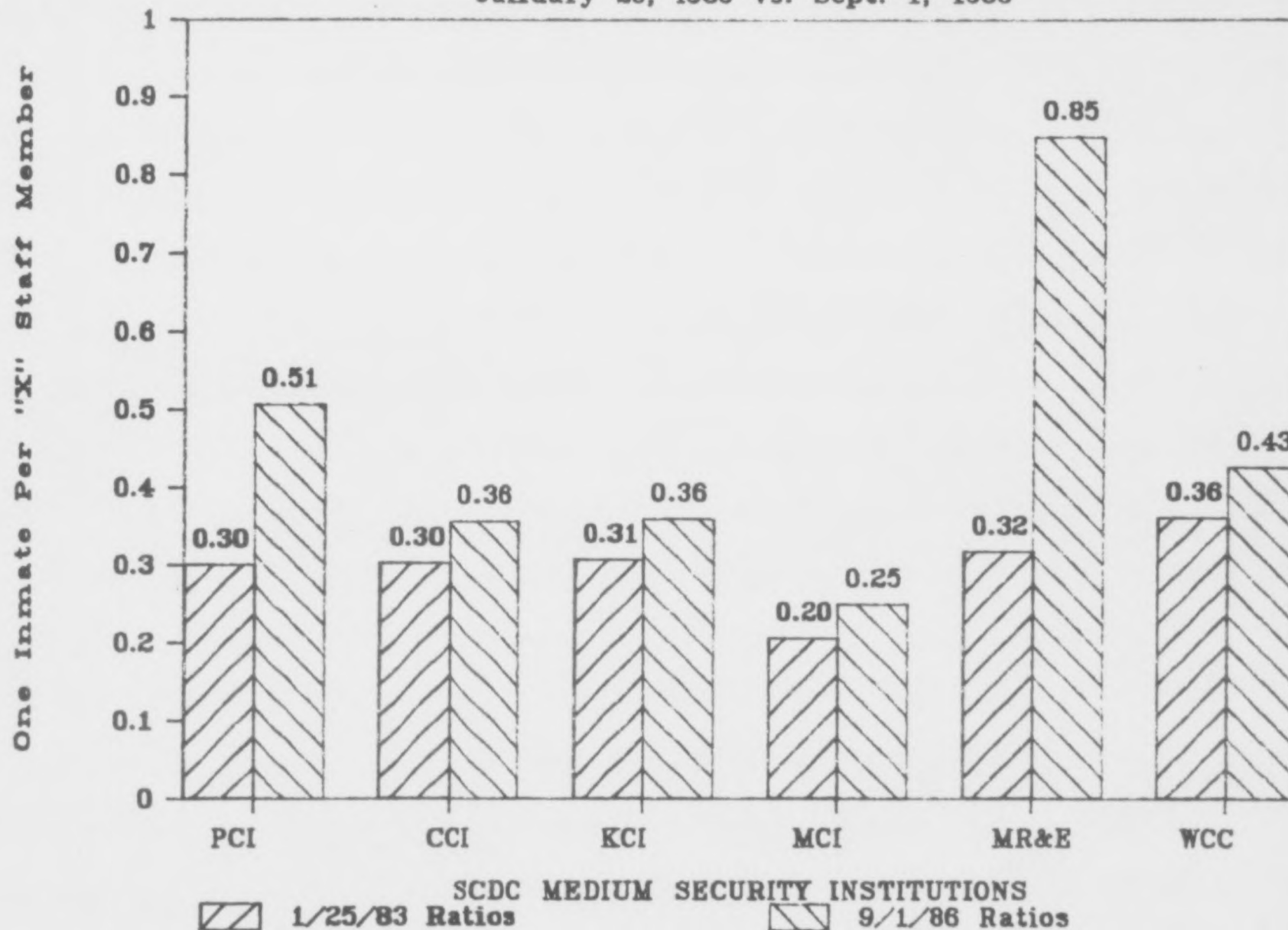
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Page 8A



# MEDIUM SECURITY INMATE/STAFF RATIOS

January 25, 1983 vs. Sept. 1, 1986



04102

Page 8B

per "x" employee.

- b. Inmate/Staff ratio's will continue to be monitored by the Office of the Executive Assistant for Legal Settlements and Compliance on a monthly basis.
- 4. Correctional officers will be posted inside each ward or cell block in medium and maximum security institutions...
  - a. The monthly reports of 9/8/86 contained the following compliance information:
    - 1. PCI: PCI presently has officers assigned inside each cellblock 24 hours per day, seven (7) days per week.
    - 2. KCI: KCI presently has at least one (1) officer assigned to each ward/cellblock, 24-hours a day, seven (7) days per week.
    - 3. MCI: Presently of the nine (9) C.O. positions requested to achieve full compliance with this issue, eight (8) have been hired. Once all training has been completed for these officers compliance will be achieved. Until this has been accomplished, however, MCI will still continue to deny inmates access into assigned wards between 7:20 a.m. and 11:30 a.m. and between 12:30 p.m. and 2:30 p.m. At all other times, MCI will have at least one officer assigned inside each ward and/or cellblock.
    - 4. CCI: Sufficient Correctional Officers authorized for compliance with this issue.
    - 5. MR&E: Officers are assigned to each tier of the cellblocks 24 hours per day, seven (7) days per week.
    - 6. WCC: Officers are posted in each dormitory seven (7) days per week, 24 hours per day.
- 5. Correctional officers will have sight or sound observation of inmates inside wards and cellblocks at medium, maximum and minimum security institutions...
  - a. As mentioned in previous Quarterly Reports, certain staffing deficiencies were reported at certain institutions

which hampered full compliance with this issue. Listed below is a description of those institutions with deficiencies and the number of staff requested during Fiscal Year 1986-1987 to correct such deficiencies. The next edition of the Quarterly Report will reflect the actual number of correctional officers hired as of 12/8/86 to correct these deficiencies.

Inst.	Compliance by 1/8/86	Additional Officers Requested
AYCC	No, by 1/8/86 Yes, during 86/87	16
GCI	No, by 1/8/86 Yes, during 86/87	4
KCI	No, by 1/8/86 Yes, during 86/87	11
MCI	No, by 1/8/86 Yes, during 86/87	9
SCI	No, by 1/8/86 Yes, during 86/87	16
WCI	No, by 1/8/86 Yes, during 86/87	14
WRCI	No, by 1/8/86 Yes, during 86/87	3
CACI	No, by 1/8/86 Yes, during 86/87	11
TOTALS		84

NOTE: It should be noted that the SCDC fully met the February 4, 1984, staffing recommendations made by the agreed upon NIC consultant, Mr. James Henderson. However, after implementation of the recommendations, the above listed staff deficiencies were discovered and are presently in the process of being corrected by the SCDC as noted above.

- b. The 84 Correctional Officer positions indicated above comprise a portion of the SCDC's overall additional personnel for Fiscal Year 86/87. Some of the facilities listed above will also receive additional security personnel to meet the needs of the AIMS classification plan and to address other facility concerns, and

these additional positions should also assist in generally meeting the sight or sound requirements. (See also #1, above for a listing of the # of positions authorized this fiscal year.)

6. Procedures relating to the use of inmate labor will be reviewed and modified where necessary...
  - a. All institutions have developed a policy to address this issue.
  - b. See previous editions of the Quarterly Report for specific information regarding compliance.

CATEGORY IV: STAFF TRAINING

Only those issues for which additional progress has been indicated since the last reporting period (July 8, 1986) have been included under the "Staff Training" Category. All issues not listed are in compliance and are continuously monitored by the Training Division.

2. ACA Standard 2-4080--All institutional trainers will complete a 40-hour "Training for Trainers" course...
  - a. The Training Branch has the following information on file for compliance purposes:

As of September 8, 1986, 12 institutional trainers, comply, there was 1 institutional trainer position vacant, 7 academy trainers comply and 2 academy trainers have been scheduled for training.
9. ACA Standard 2-4088--All new full-time employees will receive 40-hours of orientation training before reporting to their work sites...
  - a. The Training Branch has the following information on file:
    1. Policy #200.4, (SCDC) Employee Basic Training.
    2. Policy #200.5 (Training Branch) Credit for Prior Training.
    3. Orientation curriculum that lists courses taught and the length of each course.
    4. Employee Training Records (Orientation Rosters).
  - b. During this reporting period 11 employees do not comply. Their supervisors have been notified and corrective action has been and/or will be taken to provide proper training hours.



10. ACA Standard 2-4089--All clerical employees will receive 16 hours of training during their first year of employment and will receive 16 hours of training every year thereafter...
  - a. As of this reporting period, 19 employees do not comply. Their supervisors have been notified and corrective action has been and/or will be taken to provide proper training hours.
11. ACA Standard 2-4090--All support employees will receive 40 hours of training during their first year of employment and 40 hours of training every year thereafter...
  - a. The Training Branch reports that all support employees that have direct contact with inmates comply. Progress has been made towards achieving compliance with the 1/8/88 compliance date; institutions have implemented procedures which will ensure that all security staff receive at least 10 hours of in service training per quarter, all employee training records are being maintained on a computer and a "Quarterly Training Calendar" has been developed which lists all the training programs offered as well as dates, times and places.
17. ACA Standard 2-4096--All personnel authorized to use firearms will receive firearms training and will be required to demonstrate competency annually...
  - a. As of this reporting period the Training Branch reported that approximately 8 employees did not complete their annual weapons requalification. The supervisors of these employees have been notified and such employees will not be issued a firearm.

CATEGORY V: HEALTH SERVICES

Only those issues for which additional progress or new information has been indicated have been included under this category. Please refer to the "First Quarterly Report" for compliance information related to issues #1 - #52 and #61 - #75; please refer to the "Sixth Quarterly Report" for compliance information relative to issues #57 - #60. It should be noted that officials of the Health Services Branch conduct quarterly Nelson audits of all institutional health service branches to ensure that all such divisions are maintaining compliance with the terms of the Settlement. 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.

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53. Contract with an agreed upon medical and mental health care consultant to conduct a survey which would review the SCDC health care delivery systems...

- a. Consultants came to the SCDC during the week of 2/4/85 and visited various SCDC institutions in an effort to obtain enough information to form recommendations. The consultants were as follows:

Dr. Robert Cohen, Rickers Island Medical Center. New York  
Dr. Lloyd Baccus, Mental Health Care Consulting, Atlanta  
Ms. Bonnie Norman, Norman and Cotton Asso., Los Angeles  
Dr. Charles Rosenberg, Medical Consultant, Miami

The Compliance office has the following documentation on file :

1. Copies of contracts for all four consultants retained by the SCDC for consulting services;
  2. Copies of all resumes for all health care consultants;
  3. Copies of all correspondence with Plaintiff's Counsel regarding the health care study;
  4. Copies of all correspondence with the consultants;
  5. Copies of all budget requests and approvals for funds for paying the health care consultants for their services;
  6. Copies of all transactions made with the Travel Agency for the health care consultants.
- b. On February 22, 1985, all health care studies were submitted to the SCDC and the subsequent review of all the reports began by the appropriate SCDC officials;
- c. The SCDC has presented the reports to various S.C. Legislative Committees for review and approval for funding

to begin implementing the recommendations made by the consultants in their reports on the health care system of the SCDC.

54. Submit plans for implementing the recommendations made by the health and mental health care consultants...

- a. The Department completed the development of a plan for phasing in the recommendations made by certain health care consultants (see, #53, above). The plan calls for the implementation of approximately 19 medical care recommendations and 13 mental health care recommendations. In order to facilitate implementation of the plan, approximately 104.5 new mental health care positions and 116 additional medical care positions were identified. To date, 90 health care positions were authorized by the General Assembly during F.Y. 1985 - 1986. In June, 1986, the General Assembly approved 117 additional health care positions for this F.Y. (1986 - 1987). A description of the positions authorized for F.Y. 1986-1987 will be included in future editions of the "Quarterly Report." A description of the positions authorized for F.Y. 1985-1986, and the current status of these positions, is below:

POSITION -----	LOCATION -----	FILLED (Yes-No) -----
Nurse Supv.	CACI	NO
Social Wkr. III	CACI	NO
Staff Nurse	CACI	NO
Staff Nurse (3)	DCI	YES (2)
Adm. Spec. A.	DCI	YES
Phy. II	DCI	NO
LPN II	DCI	NO
Nurse Pract.	DCI	NO
Head Nurse	GCC	NO
Staff Nurse	NCC	NO
LPN II (4)	NCC	NO
Psych. III	PCI	YES
Dentist II	PCI	YES
Dent. Ast. II	PCI	YES
Social Wkr. V	PCI	YES
Head Nurse (2)	PCI	YES (1)
Staff Nurse (2)	PCI	YES (1)
Head Nurse	PCI	YES
Nurse Pract.	PCI	NO
Pharmacist	PCI	NO
Physician (15)	PCI	NO

Clin. Nurse Spec.	PCI	NO
Physician	CCI	YES
Social Wkr. III (2)	CCI	YES (1)
Social Wkr. IV (3)	CCI	YES (2)
Social Wkr. V	CCI	YES
Dental Ast. I	CCI	NO
Clin. Nurse Spec.	CCI	YES
Staff Nurse (2)	GCI	NO
LPN II	GCI	NO
Nurse Supv.	GCI	YES
Pharmacy Tec	KCI	YES
Social Wkr. III	KCI	YES
Pharmacist	KCI	YES
Staff Nurse (3)	KCI	YES (1)
Social Wkr. IV	KCI	NO
Chief Pysch.	KCI	YES
Clin. Lab. Tec.	KCI	YES
Social Wkr. II	KCI	YES
Pysch. II	KCI	NO
Activity Ther.	KCI	NO
Lab Aide II	KCI	YES
Physician	KCI	YES
Psych III	KCI	YES
LPN II	MCI	NO
Head Nurse	MCI	NO
Staff Nurse	MCI	NO
Social Wkr. IV	MR&EC	NO
Adm. Spec. A.	MR&EC	NO
Head Nurse	SPCC	YES
Staff Nurse	SPCC	NO
Nurse Pract.	SPCC	NO
Physician II	SPCC	YES
Head Nurse	SCI	NO
Adm. Spec. A.	WRCI	YES
Nurse Pract.	WRCI	YES
LPN II (2)	WRCI	NO
Staff Nurse (3)	WRCI	NO
Nurse Supv.	WRCI	YES
Adm. Spec. A.	WCC	NO
Head Nurse	WCC	NO
Pharmacist	WCC	NO
Nurse Pract.	WCC	NO
Physician	WCC	NO
Staff Nurse (7)	WCC	YES (1)
LPN (3)	WCC	NO



In addition to the above, the Division of Human Services has announced that contracted psychological consultation for institutional social work services and special treatment components has been implemented.

55. Begin implementation of the recommendations made in the consultants health care studies...

- a. As noted above, the SCDC completed a plan for the implementation of approximately 19 medical care and 13 mental health care recommendations. The Department received approval of the plan from the S.C. Medical Association on July 29, 1985 and received written approval of the plan from medical consultant, Ms. Bonnie Norman, on December 2, 1985.

A description of each medical recommendation and the progress made thus far to implement each recommendation for compliance purposes is included in the "Quarterly Report" as APPENDIX A.

A description of selected mental health recommendations and the progress made thus far to implement each recommendation for compliance purposes is included in the "Quarterly Report" as APPENDIX B. Those recommendations not included in this APPENDIX will be reported in the "Eighth Quarterly Compliance Report."

56. Ensure that the appropriate medical equipment is available at all institutions as recommended by the health care consultants...

- a. Defibrillators have been purchased by the Health Services Branch and are in place at CACI, DCI, GCI, MCI, WCC and WRCI.
- b. Crash carts have been purchased and are now permanent at GCI, MCI, WCC and WRCI.
- c. The following equipment has been purchased and is now in place at KCI.

Quantity	Equipment	Location
1	Centrifuge bench-top modular	KCI
1	Fibrometer-Fibrosystem	KCI

- d. In conformance with the consultants recommendations, the SCDC is currently seeking "certificate of needs" from the S.C. Department of Health and Environmental Control. Once theses certificates are granted, the SCDC will establish infirmaries at WCC and PCI.

## EXHIBIT

OCT 21 1986 NO. 4

STATE BUDGET & CONTROL BOARD

CATEGORY VI: PROGRAMS

1. All inmates will receive five hours a day of meaningful programs...

- a. All institutions report that inmates are afforded the opportunity to participate in "meaningful programs" 5 hours a day, 5 days a week. The Classification Branch has implemented procedures for assigning jobs/programs for those inmates who wish to participate. Documentation for all inmates requesting "meaningful programs" is being maintained by the Educational Branch.
- b. Another meeting was held between the Classification Branch and the Education Credits Committee to coordinate classification and education matters as well as to plan for the implementation of Educational Credits.

\*\* For further information on the "Meaningful Programs" issue, please see "Defendant's Sixth Quarterly Report on Compliance."

2. The present level of educational programs offered by the SCDC will remain the same as the level of programs offered at signing.

- a. The list of educational courses submitted by the Department continues to be complied with.

3. General population inmates will be provided with the opportunity to attend educational courses at least two evenings per week...

- a. The following institutions are operable with regard to this issue: CCI, WCC, WRCI, PCI, KCI, CACI, SCI, MCI, MYCC, GCI, AYCC AND DCI.
- b. It is apparent that some institutions do not have educational programs offered to inmates in the evening; however, inmates that would like to participate in educational programs in the evening may request a transfer to an institution which offers such.

4. All inmates will be assigned to programs on a equitable basis...

- a. The monthly report of 9/8/86 submitted by the Dep. Commissioner for Program Services listed that all institutions were in compliance with this issue and that all program assignment of inmates is done on an "open entry/open exit basis...first come first serve basis" so that no discrimination is present. The Educational Branch confirmed this statement and reported that all inmates who meet the eligibility requirements contained in SCDC policy are as-

signed to programs for which they volunteer. Enrollment records and verification is provided by the school principals to indicate that each inmate is assigned quickly, or is placed on a waiting list for the next available slot.

5. Inmates assigned to administrative segregation will receive 5 hours a week, 5 days a week of outdoor exercise...
  - a. All institutions are in compliance with this requirement as of 9/8/86.
6. Inmates assigned to protective custody longer than 90 days will receive "meaningful programs" 5 hours a day, 5 days a week...
  - a. The SCDC has developed a policy entitled, "Voluntary Requests by Inmates in Protective Custody," in order to comply with this issue. This policy is presently in the final stages of being approved by officials of the SCDC. Revisions as recommended by the Legal Advisor's Office are being made and the policy should be published within the next reporting period. the policy has been assigned the number 1500.13-2.
  - b. The following list contains a description of the programs to be offered inmates on Protective Custody in order to fulfill the requirements of the Decree and the Department's proposed plan for providing 5 hours/day, 5 days/week "meaningful programs" to P.C. inmates housed over 90 days:

1. PCI--Two (2) Adult Education Classes for GED preparedness are offered three (3) nights per week from 6:00 - 9:00 p.m.; Six (6) Social Skills Group Classes are offered weekly on a rotating basis. The duration of each class is approximately one (1) hour and each class requires approximately six (6) to eight (8) weeks for completion. The Social Skills Group classes are as follows: (a) Human Sexuality; (b) Assertiveness; (c) How to Improve Your Life; (d) Anger Management; (e) Values Clarification; (f) Goal Setting; and, (g) Stress/Burnout.

In addition to the above, individual counseling is conducted daily by a Staff Social Worker and all protective custody inmates will be afforded the opportunity to receive five (5) hours a day, five (5) days a week of outdoor recreation. Alcoholics Anonymous is scheduled to begin on a weekly basis, September 18, 1986 and a Substance Abuse Counseling Group for inmates is provided on an "as needed" basis. Further, visitation is allowed from 9:00 to 12:00 each Wednesday morning.

2. MCI--MCI has limited lock-up space; therefore, any inmate afforded Protective Custody status is transferred to a more suitable institution long before the 90 day limitation. Consequently, MCI has not scheduled any "meaningful"



programs for such inmates.

3. KCI--KCI does provide Protective Custody inmates with one and one half (1 1/2) hours of outdoor recreation five (5) days per week; a work assignment one day per week which will last for one (1) hour; Correctional Counseling five (5) days per week; law library access one (1) day per week; visitation one (1) day per week and church two (2) days per week.

The total number of hours of "meaningful" programs provided protective custody inmates at KCI per week will equal approximately 33 1/2 hours.

The Correctional Counseling has been temporarily suspended until a new Social Worker has been hired.

4. WCC--WCC does provide Protective Custody inmates housed longer than 90 days with one (1) hour of outdoor or indoor recreation daily (female inmates have the option of choosing between indoor or outdoor recreation. See, Section XVIII, #4) and, with a four (4) hour daily work assignment consisting of clean-up detail at the WCC Administration Building. WCC will schedule this work detail after the Administration Building has been cleared of all other inmates in order to maintain the integrity of the Protective Custody concept.

5. DCI--DCI presently offers all Protective Custody inmates with the following programs:

- a. Weekly social skills group session (1 hour);
- b. Individual counseling (upon request)
- c. Weekly worship service (1 hour)
- d. Daily Basic Educational Services (1 hour)
- e. Earned Work Credit position--Level Seven General Worker--5 days per week/5hours per day

6. CCI--CCI offers inmates housed in protective custody the following program opportunities:

- a. Education programs 1 1/2 hours a day, 3 times a week
- b. Law Library Services--(37 1/2 hours per week)
- c. Social Work Services--a combination of individual and group counseling are offered to inmates 4 hours/day 5 days a week
- d. Work Assignment--Approximately 50 EWC slots are scheduled for P.C. inmates
- e. Daily Work Assignment--Cleaning Room (1 hour per day)
- f. Outdoor Recreation--(1 hour/day, 5 days/week)  
\*Offered at least 1 hour per day of recreation; but is usually 2 hours per day.

7. An effort will be made to provide earned work credit to inmates

for educational and vocational courses...

- a. SCDC officials again requested credits for participation in education courses during the 1986 legislative session. Credits for such were passed by the House on February 28, 1986, and subsequently approved in the Senate.
- b. Credits for participation in educational and vocational programs was approved by the Governor in June of 1986 as part of the "Omnibus Crime Bill." A plan has been developed by the Education Branch and is scheduled for implementation November 1, 1986.

CATEGORY VII: LIBRARIES

1. Inmates will have comparable access to libraries regardless of their classification or housing assignment...
  - a. Monthly reports of 9/8/86 reported the following compliance by institutions with libraries that house A.S. inmates:

INST.	COMPLIANCE	COMMENTS * (**)
CCI	Yes	Library is open 5 days a week and two evenings for all inmates; A.S. inmates can request books from the library 5 days/week & books are delivered 3 days/week; Policies on this issue are as follows: I1500.7, I2100.10-6 and CB-II2100.7
KCI	Yes	Due to damage experienced during the disturbance of 4-1-86, library services were temporarily suspended. These services were reinstated with the reopening of the library on 8-25-86.
WCC	Yes	Library is open now for 2 evenings for 3 hours each evening; a book-cart is delivered to the segregation unit 3 times a week.
PCI	Yes	Maximum security inmates are allotted the opportunity to check out books from the law library 3 days

		a week & a book cart is taken to such inmates 2 times/week. The library is open 2 evenings a week.
DCI	Yes	Library is now open 5 days and 2 evenings a week. A.S. inmates receive library access via a bookmobile on a daily basis for 1/2 hour; A.S. inmates have book sign out services available to them through the library.
CACI	Yes	Policy 2100.10-6, "Library Access," has been instituted; a list of reading materials available to A.S. inmates has been published and distributed to such inmates.

\* The differences in the way that some inmates are served is based on the current operational capabilities of each institution; however, all inmates are provided overall comparable access.

\*\* Lists of all books available in each institutional library are provided inmates housed in A.S./Lock-up so that they may have the means by which to request books. All requested books are provided inmates on a weekly basis.

b. The following progress was reported by the Library Services Branch on 9/8/86 for institutions that presently do not have in-house library services:

1. SCI, WCI, SPCC and GCI--A total of 219 books were checked out from the bookmobile at these institutions over this quarter.
2. GYCC--The remodeled trailer purchased for use as a library at GYCC is operational from 8:00 a.m. to 4:00 p.m. on Wednesday and Friday with 1/2 hour lunch for a total of 15 hours.
3. AYCC--The library is only operational seventeen (17) hours per week; 12:30 p.m. to 8:00 p.m. on Monday, 8:30 a.m. to 11:30 a.m.; 12:30 p.m. to 3:30 p.m. on Tuesday and 8:30 a.m. to 11:30 a.m. on Friday.

4. MYCC--At present, the library is open only twenty (20) hours per week; 4 hours a day.
5. MCI--This library became operational on July 2, 1986. Hours of operation are Monday and Tuesday-12:30 p.m. to 5:00 p.m. and 5:45 p.m. to 7:45 p.m.; Wednesday, Thursday and Friday-8:00 a.m. to 11:30 a.m. and 12:30 p.m. to 3:30 p.m. for a total of 31 hours.
6. GCC, NCC and WRCI--At present, the "Traveling Library" is servicing all three institutions. The "Traveling Library" services inmates at these institutions by providing inmates with a list of the books available from the "library" and by requiring all inmates to request the books they would like to acquire on the list. Library services makes weekly visits to WRCI and GCC to deliver all requested books to the inmates. A total of 121 books were circulated for the month of August, 1986.

NOTE: The libraries at GYCC, AYCC and MYCC are only funded for part-time librarians. The SCDC is working towards full time state positions for these libraries. To date, no progress has been made since the last quarterly report.

- c. To ensure that administrative segregation inmates are also receiving adequate library services as well, the Director, Library Services, has compiled "circulation statistics" to indicate the number of magazines, newspapers, comics and books circulated to administrative segregation units during the month of August, 1986. These statistics are as follows:

#### CIRCULATION STATISTICS

Institution	Number of Books Circulated**
CACI	233
CCI	2406
DCI	251
PCI	2820
WCC	118
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TOTAL	5,828

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\*\*Indicates the number of magazines, books and comics given to inmates upon request from either a book cart, institutional library or bookmobile services.

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2. Libraries will be open at all institutions five days per week



and at least two evenings for a total of 37 1/2 hours...

- a. For institutional library schedules see "Fifth Quarterly Report."
3. Inmate access to the law library will comply with the requirements set forth in "Bounds v. Smith..."
  - a. See copies of previous Quarterly Reports for a description of the Department's plan to comply with this issue; for a list of those books ordered for the new/existing law libraries; and, for a description of how inmates are afforded access to law libraries.
  - b. Recently a problem was detected with regard to the books ordered for the NCC Sattelite Law Library. Evidently, three books are missing from the law library but have been reordered as of 9/12/86 to ensure compliance with this issue. The following books should be delivered to NCC within 2 - 4 weeks:
    - Federal Habeas Corpus
    - LaFave & Scott, Criminal Law Hornbook
    - S.C. Code of Laws, Volume 8
  - c. The law library at KCI was fully operational on 8/25/86. Prior to the library reopening, if an inmate at KCI knew specifically which lawbooks he needed, the books were provided by KCI officials. If an inmate needed to utilize a law library KCI transported them to CCI.
  - d. Inmates at WCI, SCI, WPRC and CWRC utilized the law library at CCI during the time the KCI law library was being repaired. Inmates at GCI utilized the law library at WCC.
  - e. Inmates housed in Administrative Segregation are afforded the opportunity to go to their institutional law libraries once a week and lists of all books contained in the law library are maintained so that inmates may request law books from the library. All requested books are delivered to the inmate(s) at close of business every Friday afternoon and such inmates are allowed to keep these books until Monday morning.
  - f. Inmates may use normal inmate pay to receive the following services at their institutions: photocopying, type-writing and other legal supplies, i.e., notepads, etc. All institutions have notary public services.
4. Inmates may obtain a pass to use the law library during work or program hours provided they can show a court deadline...
  - a. See previous editions of the Quarterly Report for

compliance information with regard to this issue.

5. There will be no loss of inmate bonus pay because of court proceedings provided that an inmate's absence does not exceed seven (7) calendar days...
  - a. The Director of the Division of Industries reported on 2/4/85 that he had instructed all Industries Plant Managers "to ensure that no inmate receive or suffer any loss of bonus pay because of a court appearance." The Division of Industries reported that it has rewritten guidelines to comply with this issue and, as of 9/8/86, compliance has been maintained.
6. All institutional and departmental policies and procedures will be made available to inmates in institutional libraries with the exception of those dealing with security and emergency procedures...
  - a. The SCDC submitted a list to Plaintiffs' Counsel of those departmental policies selected to be omitted from the departmental policy manuals provided inmates at each institution. Plaintiffs' Counsel was afforded the opportunity to review this list and comment on the appropriateness of our selections. Previous editions of the Quarterly Report contain a list of those policies which were finally selected for exclusion. During this quarter, no additional or new departmental policies were selected for exclusion.
  - b. In addition to the above, the SCDC was also required to provide inmates at each institution with copies of their institutional policy manuals. Again, institutional heads were afforded the opportunity to review their policies and omit those which were felt to jeopardize the security of their institution or interfere with emergency procedures. A list of all institutional policies selected for exclusion is contained in previous editions of the Quarterly Report.

To date, only one institution, WRCI, has sent this division a copy of their revised list of excluded policies. Policies at this institution to be excluded are presently as follows:

I-200.1-6	Shift Assignments for Security Personnel
I-200.50	Security Post Descriptions
I-500.5-1	Hunting on WRCI Property
I-500.5-2	Fishing on WRCI Property
I-600.3	Investigation of Criminal Offenses on WRCI
I-1500.1	Inmate Accountability & Inmate Counts
I-1500.4	Escape Apprehension Plan
I-1500.5	Contraband Control, Accountability & Disposition
I-1500.8	Issue, Use, Control & Security of Firearms

- I-1500.9 Key Control
- I-1500.10 Tool Control
- I-1500.10-1 Utensil Control & Accountability
- I-1500.13 Administrative Segregation
- I-1500.19 Bloodhounds
- I-1500.20 Transportation of Inmates
- I-1500.34 Management of Institutional Emergency Situations
- I-1500.34-1 Work Stoppage Plan
- I-1500.50 Serious Incidents & Accidents Reporting Requirements
- I-1500.53 Consolidated Daily Yard Report
- I-1500.58 Inmate Operations & Control, Accountability of Inmates and Record Maintenance
- I-2100.3-7 Handling and Control of Pharmaceuticals
- I-2100.3-7-1 Prescription Monitoring of Psychotropic Medications
- I-2100.3-40 Intoxicated Inmates
- I-2100.3-50 Management of Chemically Dependent Inmates

- c. Additional revised institutional policy exclusion lists will be published in future editions of the Quarterly Report as they are received.

#### CATEGORY VIII: CLASSIFICATION

- 1. A classification plan for separating violent and non-violent offenders will be developed...

- A. The Classification Branch reported the following compliance efforts in their 9/8/86 report:

A system for accomplishing this objective is underway. An objective-criteria based formula entitled the Adult Internal Management System (AIMS) has been developed Dr. Robert Levinson. The following steps have been undertaken with regards to this system.

- a. Aims Training and the pilot tests have been completed at CCI, PCI and KCI. Caseworkers and officers have completed AIMS checklists on the institutional population and inmates have been moved to the three (3) housing groups.
- b. AIMS is fully implemented at CCI, PCI and KCI and is being maintained in a satisfactory manner.
- c. At PR&EC and MR&EC, assessment caseworkers and correctional officers have completed AIMS training. All inmates arriving at the PR&EC who will be assigned to medium security institutions are being classified by the AIMS checklists.

- d. The AIMS implementation schedule was revised following the MCR Administrator's recommendation to not proceed with any more institutions in the MCR until the new MR&EC and LCI are open.
  - e. Institutional planning meetings have been held at MCI and WRCI to examine the feasibility of opening Reception units to implement AIMS at these institutions.
  - f. The revised AIMS implementation schedule was approved by the Special Classification Committee on August 23, 1985.
  - B. A draft policy for internal classification has been developed for review.
  - C. The formal plan for internal classification has been developed and was attached to the "Fourth Quarterly Report on Compliance," as appendix "B."
  - D. The Classification's Procedures and Training Manual was completed in July 1986 and was distributed to caseworkers on August 20, 1986.
2. A classification plan for double-celling assignments will be developed...
- a. The formal plan for double-celling assignments was submitted on December 20, 1985, and was attached to the "Fourth Quarterly Report on Compliance" as Appendix "B."
3. Develop an overall classification plan for initial, and re-classification of inmates...
- a. On August 23, 1985, the Special Classification Committee approved the implementation schedule.
  - b. Commissioner Leeke formally approved the implementation of the new external classification plan on 11/1/85.
  - c. The Objective Classification Plan, which includes criteria for initial classification, reclassification and internal classification was submitted on December 20, 1985, and was included in the "Fourth Quarterly Report on Compliance" as Appendix "B."
  - d. The Objective Classification Plan was reviewed in a meeting on January 28, 1986 with the Plaintiffs' Counsel; and Dr. Robert B. Levinson, classification consultant for the SCDC and agency personnel.
  - e. The implementation of all components of the Classification



Plan is proceeding on schedule as indicated below:

1. Initial Classification--Implementation began with new inmate admissions on February 18, 1986 at the Reception Centers.
2. Reclassification--Regional implementation began in the ACR on December 2, 1985; in the CCR in March, 1986; and began in the MCR in April, 1986.
4. Modifications in the current classification plan will be made with regard to such items as inmate classification status, inmate appeal of classification status, and reviews of inmates classification status...
  - a. The Classification Branch reported as of 12/8/85 the following:
    1. Procedures have been developed and implemented to make the necessary modifications. Training has been given to classification personnel. Modifications include:
      - a. 48-hour notice is given to inmates prior to class-
      - b. Inmates are present and participate at hearing unless they waive such a right;
      - c. Inmates have access to information regarding their classification status;
      - d. Inmates have a right to appeal their classification status;
      - e. Inmates with detainers have been reviewed for custody;
      - f. Jobs and programs are allocated in a rational, fair and equitable manner;
      - g. Classification reviews are conducted at three and six month intervals depending on the length of the sentence; and,
      - h. Inmate requests are acted upon within 30 days.
  - b. The classification procedures and training manual was completed in July 1986 and distributed to caseworkers on August 20, 1986.
  - c. The procedures were incorporated into the Objective Classification Plan submitted on December 20, 1985 and included in the "Fourth Quarterly Report on Compliance" as Appendix "B."

CATEGORY IX: VISITATION

1. Contact visitation will be phased in at PCI, KCI, DCI, CACI and MSC...

- a. The above listed institutions reported the following compliance efforts:

PCI: Contact visitation began in the main visiting room for inmates housed in the R&E component on 9/18/85. Protective custody inmates are allowed four (4) contact visits per month and Administrative Segregation and disciplinary inmates are allowed two contact visits per month. Initial gains are allowed four (4) visits per month, 2 hours duration if they have been housed longer than 14 days.

DCI: Renovations to the Old Law Library area were completed on 9/27/85 for contact visitation purposes and contact visitation became operational on 10/1/85. Policy 11500.3, "Visiting Privileges."

CACI: Structural modifications to the visiting area have been completed and contact visitation was implemented for all inmates on 4/27/85. Policy 11500.3. "Visiting Privileges."

KCI: Contact visiting allowed for all inmates regardless of custody level.

MSC: MSC's monthly report of 3/8/85 indicated that contact visitation began at MSC late February, 1985. Contact visitation for all other inmates at CCI has always been provided.

2. Contact visitation will be allowed at all other institutions...

All institutions report compliance with this issue and have developed institutional policies for documentation purposes. For a list of these policies, see "Defendant's Sixth Quarterly Report on Compliance."

3. All inmates will be provided with an equal opportunity for contact visitation, except that administrative segregation inmates may receive up to two monthly visits, two hours in length and protective custody inmates may receive up to four monthly visits, two hours in length...

All institutions reported compliance with this issue and have developed policies for documentation purposes. For a list of these policies, see "Defendant's Sixth Quarterly Report on Compliance."

CATEGORY X:     PHYSICAL RESTRAINTS

1. Inmates in protective custody or the general population may not be physically restrained while inside the institution unless determined to be a SSR...
  - a. The SCDC revised Departmental Policy 1500.12, "Mechanical Restraints in order to comply with this issue. The revised policy was approved by SCDC officials and was staffed on August 6, 1985. Prior to the revision of this policy, all institutions were made aware of the changes made with regard to physical restraining procedures and specific "in-house" procedures were developed to respond to such changes as is illustrated above.
  - b. The Midland's Correctional Regional Administrator developed a departmental form for documenting substantiated security risk inmates. The form requires institutional personnel to list the specific factors which have led him/her to determine an inmate to be a substantiated security risk. Copies of the completed form are sent to the inmate, the Regional Administrator and the Institutional Head and are placed in the inmate's central record and the inmates institutional record.
  - c. All institutions have been and are continuing to maintain compliance with this issue. For further compliance information, see previous editions of the Quarterly Report.
2. All inmates not in the general population or protective custody can be physically restrained using only handcuffs while inside the institution unless determined to be a "SSR..."
  - a. All institutions have been and are continuing to maintain compliance with this issue. For further compliance information, see previous editions of the Quarterly Report.
  - b. See, also, #1 (a) and (b), above.
3. Ankle shackles, belt-cuffs and handcuffs can be used when transporting inmates but will be removed once the inmate is inside his/her destination, and no belt-cuffs shall be kept on an inmate unless such destination is a non-secure area of there has been a written determination that the inmate is a SSR....  
(NOTE: This provision does not apply to "AA" inmates unless determined to be a SSR...)
  - a. All institutions have been and are continuing to maintain compliance with this issue. For further compliance information, see previous editions of the Quarterly Report.
  - b. See, also, #1 (b) and (c), above.

4. An appeal route will be established for "SSR inmates..."

- a. SCDC Policy 1500.12, "Mechanical Restraints," has been revised to include procedures for filing appeals against SSR determinations. The system developed for such appeals proceeds as follows:

"Any inmate who has been designated as a "substantiated security risk" (SSR) will have the right to appeal such action to the Regional Administrator within 15 days of the time he/she receives notification. All inmates will be notified in writing when they have been determined to be a SSR. The Regional Administrator must investigate the circumstances and respond in writing to the inmate within 20 working days of receipt of the appeal. The inmate may then appeal to the Deputy Commissioner for Operations within 15 days of receipt of the Regional Administrator's reply. The Deputy Commissioner for Operations must reply to the inmate in writing within 15 working days."

- b. SCDC Policy 1500.12 was forwarded to all Institutional heads for appropriate staffing and all institutions have instituted the above procedure. Prior to the revision of SCDC Policy 1500.12, the Deputy Commissioner for Operations sent memo's to all Institutional Heads regarding the above appeal procedure and required all such memo's to be posted throughout institutions for inmate review. (See previous Quarterly Reports for a description of the Operation's Branch distribution of all such memo's and documentation of each institution's receipt and posting of the same).

5. Temporary handcuffs can be used on inmates under special circumstances for up to one (1) hour...

- a. All institutions have been and are continuing to maintain compliance with this issue. For further compliance information, see previous editions of the Quarterly Report.

- b. See, also, #1 (a), above.

6. Four point restraints can be used on inmates under special circumstances upon the approval of a physician. The use of such restraints longer than four hours needs the approval of the chief medical physician. In either case, 15-minute logged observations of the inmates will be made...

- a. Compliance has been achieved and maintained by all institutions. For further compliance information, see previous editions of the Quarterly Report.



CATEGORY XI: FIRE SAFETY

1. Submit a plan for meeting the fire safety standards of the ACA and the NFPA...

- a. Construction and Engineering officials selected Carlisle Associates as the Architectural and Engineering Firm to conduct evaluations of all SCDC facilities in order to determine their present compliance with the fire safety standards contained in the Decree.

Carlisle Associates has been touring and inspecting all the SCDC facilities in order to make determinations as to which areas in each institution may be deficient with regard to applicable fire safety standards. Carlisle Associates upon completion of it's inspections will submit to the Construction and Engineering Branch implementation plans which will list actions necessary for correcting any deficiencies they might find. Carlisle Associates is currently on schedule and this project should be completed October, 1986.

2. All smoke detectors and fire alarms will be on contract...

- a. At the time of signing, nine (9) institutions already had smoke detectors and fire alarms on contract. These institutions are: WPRC, LiWRC, CACI, DCI, KCI, MCI, PCI, WCC and MR&EC. On March 19, 1985, the remaining SCDC facilities were placed on contract with either Dixie Communications, Inc., or with West Electric Company. All smoke detectors and/or fire alarms were installed in the remaining institutions by mid-December as specified in the contracts.

3. All gang door releases and emergency exits and escape ladders will be on contract...

- a. The Construction Branch reported that the first plans have been received and work will start in the near future.

4. Sprinkler and/or smoke evacuation systems will be on contract...

- a. The Construction Branch reported that the first plans have been received. Materials list has been approved and work is scheduled to start in the near future.
  - b. The sprinkler system was designed and installed in the GCI, MYCC, WCI and NCC housing units as required by current fire, life safety and building code standards. Palmetto Automatic Sprinkler Company, Inc. was contracted to perform an independent inspection and evaluation of the installed systems for compliance with all required standards.

CATEGORY XII: CONSTRUCTION

1. Renovations of CCI Guards' Quarters...
  - a. The CCI Officer's Quarters was completed on July 30, 1985, and became fully operational at this time.
2. Renovation of Stoney Building...
  - b. The Department completed renovations to the Cooper Building for the Department of Mental Health and began housing inmates in the Stoney Building during the week of December 16, 1985. The Construction and Engineering Branch reported that all renovations were completed at the Stoney Building on December 31, 1985.
3. Renovation of MCI Cell Block...
  - a. The addition to the cellblock at MCI was completed and became operational on January 29, 1986.
4. Renovation of DCI from minimum security to medium security...
  - a. The Construction and Engineering Branch reported that Tasks 1-13 have been completed (See Table I). Construction started April 1, 1986, and is on schedule.
5. Construction of WCC Dorm...
  - a. The Construction and Engineering Branch reported that Tasks 1-13 had been completed (see Table I).
  - b. The Construction and Engineering Branch reported on 9/8/86, that the construction is currently on schedule.
6. Renovation of MSC...
  - a. The Maximum Security Center was renovated and converted into a Special Protective Custody Housing Unit on 12/18/85. All "M" custody inmates who were housed at MSC were transferred to Cellblock II (26 inmates), PCI (20) and KCI (16).
7. Construction of Lieber Correctional Institution....
  - a. The Construction and Engineering Branch reported that construction has been completed. Punch list items are in progress. Occupancy is being phased in.

TABLE I

Construction and Renovation Schedule

1. The schedule for the construction and renovation, required for the Defendants to reach the housing capacities established by the standards stated in this Decree, shall be determined by the following specific dates, for the completion of each of the following tasks as may be necessary, at each of the following institutions:

Institutions:		CCI	CCI	MCI	WCC	CCI	New	New	New	DCI
		Guards	Stoney	Lock-up	Term	MCC	Lieber	McCorm.	R&E	Sec.
<u>Tasks</u>										
1) Site Selection	By	SCDC	SCDC	SCDC	SCDC	SCDC	Compl.	4/16/84	7/23/84	---
2) Land surveys	"	"	"	"	"	"	Compl	4/23/84	9/23/84	---
3) Soil boring	"	"	"	"	"	"	Compl	5/14/84	9/10/84	---
4) Purchase prop.	"	"	"	"	"	"	Compl.	8/13/84	N/A	---
5) Advertise for A&E firm	"	"	"	"	"	"	Compl	6/4/84	11/18/84	---
6) Evaluate bids	"	"	"	"	"	"	Compl	6/25/84	12/9/84	---
7) Select A&E firm	"	"	"	"	"	"	Compl.	8/1/84	12/17/84	8/12/85
8) Site drawings completed	"	"	"	"	"	"	Compl.	6/14/85	2/27/85	N/A
9) Site work completed	"	"	"	"	"	"	Compl.	7/15/85	6/10/85	N/A
10) Constn. drawings compld.	"	"	"	"	"	"	Compl.	11/4/85	11/25/85	9/2/85
11) Solicit constn. bids	"	"	"	"	"	"	Compl.	1/1/86	12/ 2/85	9/16/85
12) Select Constn. Contractor	"	"	"	"	"	"	Compl.	2/15/86	2/17/86	12/2/85
13) Begin Constn.	12/15/84	2/18/85	7/1/85	1/15/85	7/1/85	10/25/84	3/3/86	3/3/86	1/6/86	
14) Constn.	12/15/85	6/30/85	12/30/85	12/31/86	9/30/86	7/1/86	10/3/87	10/30/87	10/30/87	

8. Construction of McCormick...

- a. The Construction and Engineering Branch reported that Tasks 1-13 have been completed (see Table I). See also, Appendix "D," McCormick Correctional Institution Job Progress Memorandum.

9. Construction of New MR&EC...

- a. The Construction and Engineering Branch reported on September 8, 1986, that Tasks 1-13 have been completed (see Table I). All construction is reported to be on schedule. See, also, Appendix "E," Midland's Reception and Evaluation Center Progress Memorandum, August 27, 1986.

10. Effort to close CCI...

- a. Representatives of the CCI Relocation Task Force met with the Board of Corrections on September 9, 1986 to present their proposal for the replacement/relocation of the Central Correctional Institution. The Task Force recommended that the Board approve a draft "Request for Proposal" (RFP) which would seek to illicit beds for the lease purchase of two, 600 bed medium security institutions to replace CCI. The Board approved this concept on September 9, 1986. However, before such beds can be sought and awarded, the "Request for Proposal" must be approved by the Joint Bond Review Committee and the Budget and Control Board.
- b. The Department continues to have in its 5 year plan to the Legislature a request for two medium/maximum security institutions to replace CCI.

CATEGORY XIII: SANITATION AND HYGIENE

- 1. ACA Standard 2-4255--Weekly sanitation inspections will be conducted at each institution, annual sanitation inspections by state/federal officials, and documentation will be maintained at each institution indicating that any sanitation problems have been corrected...
  - a. All institutions are maintaining compliance with this standard and have developed policies with regard to same. For further compliance information, see "Defendant's Sixth Quarterly Report on Compliance."
  - b. Pursuant to SCDC Policy 1500.16, all institutional policies pertaining to institutional inspections must include provisions for weekly, daily and monthly inspections. Further, although some institutions



list policies other than 1500.16, all listed policies pertain to institutional inspection policies and are not necessary numbered consistent with the SCDC policy pertaining to the same.

2. ACA Standard 2-4256--A policy for the implementation of having an outside source certify that potable water source is in compliance with jurisdictional laws and regulations...
  - a. The Director, Division of Water Supply, S.C. Department of Health and Environmental Control, sent a memo to the Compliance Office on 2/15/85 which certified that all institutions in the Columbia Vicinity receive potable water from the City of Columbia and that this water "meets the water quality standards as established in the U.S. Primary Drinking Water Regulations."
  - b. On 3/18/85, the Director, Division of Water Supply, sent a letter to the Compliance Office certifying that all SCDC institutions outside the Columbia vicinity all receive water from their respective city supplies and that the water received meets the water quality standards as established in the U.S. Primary Drinking Water Regulations.
3. ACA Standard 2-4257--A policy for the implementation of institutional housekeeping procedures in all facilities...
  - a. All institutions have developed housekeeping policies for compliance with this issue. For a more detailed description see "Defendant's Sixth Quarterly Report on Compliance."
4. ACA Standard 2-4258--A policy for the implementation of vermin and pest control...
  - a. All institutions have developed policies and/or have contracts on file for vermin and pest control and are in compliance with this standard. For a more detailed description see "Defendant's Sixth Quarterly Report on Compliance."
  - b. All contracts made between the SCDC and any exterminating company call for monthly and "as-needed" extermination of all areas of the institution.
5. ACA Standard 2-4259--A policy for the implementation of a waste disposal system for every institution....
  - a. Compliance achieved and maintained. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on Compliance."
6. ACA Standard 2-4260--A policy for the implementation of a system

for inmate clothing issue will be provided...

- a. All institutions have a policy for compliance with this issue. For further compliance information with regard to this standard, see "Defendant's Sixth Quarterly Report on Compliance."

7. ACA Standard 2-4261--A policy for the implementation of a system for providing hygiene supplies to inmates in need will be provided...

- a. All institutions have a policy for compliance with this issue. For more detailed compliance information, see "Defendant's Sixth Quarterly Report on Compliance."
- b. SCDC Policy 1600.4-6, "Commissary Operations--Inmate Clothing," page 4, #12, contains a list of the hygiene supplies available to inmates housed in Special Learning Units and to other inmates upon the approval of the Warden. The list contains the following supplies:

Soap	Towels
Toothbrush	Shampoo
Toothpaste	Disposable Razor
Deodorant	Wash Clothes

All institutions are instructed in this policy to develop specific procedures for their institutions in accordance with this policy.

8. ACA Standard 2-4262--A policy for the implementation of a system for providing inmates with special clothing will be provided...

- a. All institutions have a policy for compliance with this standard. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on Compliance."

9. ACA Standard 2-4263--A policy for the implementation of procedures for issuing inmate bedding, pillows and linens will be provided...

- a. All institutions have a policy for compliance with this standard. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on Compliance."

10. ACA Standard 2-4264--A policy will be developed for the implementation of a system for specifying the accountability of state-issued clothing and bedding...

- a. All institutions have a policy for compliance with this standard. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on

Compliance."

11. ACA Standard 2-4265-- A policy for the implementation of a system which provides for inmate clothing, bedding and linens in excess of the population...
  - a. All institutions have a policy for compliance with this standard. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on Compliance."
  - b. SCDC Policy 1600.4-5, "Commissary Operations--Institutional Commissaries," requires that "larger institutions will be required to have no more than a 10% inventory level of clothing on hand at any given time." Smaller institutions will be required to have no more than 10% inventory level of clothing or one dozen of each size, whichever is greater." All institutional policies listed above are written in accordance with the provisions listed in this SCDC policy.
12. ACA Standard 2-4266--A policy for the implementation of a system which provides for the cleaning and disinfecting of inmates clothing before storage or before the inmate is allowed to keep such clothing..
  - a. All institutions have a policy for compliance with this standard. For a more detailed description of compliance information, see "Defendant's Sixth Quarterly Report on Compliance."
13. ACA Standard 2-4267--A plan for the implementation of a system which provides for cleaning clothes and linens at least three times per week or at least one time per week for inmates allowed seven sets of clothing...
  - a. For those institutions that provide seven (7) sets of clothing, inmates are allowed to wash at least once a week. For those institutions that provide three (3) sets of clothing, inmates are allowed to wash at least three times a week.
  - b. See "Defendant's Sixth Quarterly Report on Compliance" for a detailed institutional schedule of washing times as most exceed the minimum requirement.
14. ACA Standard 2-4268--A plan for the implementation of a system which provides for sufficient bathing facilities in each housing unit so inmates may bathe at least three times per week...
  - a. All institutions report that they meet or exceed the three times a week minimum required by this standard.
  - b. Shower facilities will be added to many institutions



according to the plan submitted by the SCDC in order to meet Standard 2-4131.

15. ACA Standard 2-4269--A plan for the implementation of a system which provides for thermostatically controlled showering facilities...
  - a. All institutions report compliance with this standard. For a more detailed description of compliance information see "Defendant's Sixth Quarterly Report on Compliance."
  - b. The Environmental Quality Manager from the Compliance Office has visited all SCDC institutions and has made checks on all the temperature settings on all hot water heaters. Any heater not set between 110 and 140 has been set accordingly and the appropriate institutional officials have been notified of this requirement for monitoring purposes with the exception of PWRC which has one hot water heater that controls temperatures for the entire center; however, because of its large size, the temperature has to be set at 145-150 degrees in order to produce water at the tap at a temperature of 140 degrees or less.
16. ACA Standard 2-4270--A policy for the implementation of a system which provides for hair care services to inmates will be made available...
  - a. All institutions are in compliance with this standard. For a more detailed description of compliance information see "Defendant's Sixth Quarterly Report on Compliance."

CATEGORY XIV: PHYSICAL PLANT

1. ACA Standard 2-4130--A plan is being developed for providing inmates housed in rooms or cells with the following facilities and conditions:
  - a. Plumbing facilities, i.e., access to a toilet for use without staff assistance 24 hours a day and a wash basin with hot and cold running water;
  - b. A bed above floor level, chair, mirror, writing surface upon request, and individual personal storage facilities;
  - c. Natural light;
  - d. 20 footcandles of light at desk level and at personal grooming areas;
  - e. 10 cubic feet per minute per person of outside or re-circulated filtered air;



- f. Appropriate temperatures; and
  - g. Reasonable noise levels.
2. ACA Standard 2-4131--A plan is being developed for providing inmates housed in multiple occupancy wards with the following facilities and conditions:
- a. Sleeping space requirements as set forth in the Decree;
  - b. Sight or sound observation by staff;
  - c. Screening to ensure the suitability of group living for each inmate housed in such area;
  - d. 45 square feet of sleeping space and a ceiling to floor height of at least eight feet;
  - e. Toilet and shower facilities at a ratio of one per eight occupants;
  - f. One wash basin with hot and cold running water for every six occupants;
  - g. Single beds only;
  - h. Access to a mirror and individual personal storage facilities;
  - i. Natural light;
  - j. 20 footcandles of light at desk level and at personal grooming areas;
  - k. 10 cubic feet per minute per person of outside or re-circulated filtered air;
  - l. Appropriate temperatures; and
  - m. Reasonable noise levels.
3. ACA Standard 2-4132--A plan is being developed for providing inmates housed in minimum security institutions or minimum security areas within larger institutions with the following facilities and conditions:
- a. Key control shared by occupants and staff;
  - b. Continuous access to toilet and shower facilities and hot and cold running water;
  - c. Sleeping space as set forth in the Decree;

- d. A bed above floor level, chair, mirror writing surface upon request, and individual personal storage facilities;
- e. Natural light;
- f. 20 footcandles of light at desk level and at personal grooming areas;
- g. 10 cubic feet per minute per person of outside or re-circulated filtered air;
- h. Appropriate temperatures;
- i. Reasonable noise levels.

## EXHIBIT

OCT 21 1986 NO. 4

\*\*\*\*\*

STATE BUDGET & CONTROL BOARD

Areas in noncompliance with ACA Standards 2-4130, 2-4131, and 2-4132 have been identified by the Compliance Office's Environmental Quality Manager. Compliance in this area mainly requires the improvement of lighting, plumbing and air flow conditions along with the addition of certain furnishings such as chairs, mirrors, writing surfaces and lockers at certain institutions. This information was conveyed to the Division of Construction, Engineering and Maintenance. Funding was requested for these improvements and was subsequently approved by the General Assembly so that renovations for correcting these deficiencies could begin at selected institutions this fiscal year. A schedule is being developed for these improvements which will have a completion date of June 30, 1988. This schedule will be included in the next Quarterly Report, if available. Once improvements begin, our Environmental Quality Manager will monitor the status of the work on a continuing basis.

### CATEGORY XV: RECEPTION AND EVALUATION CENTERS

#### MIDLANDS RECEPTION AND EVALUATION CENTER

ISSUE	COMPLIANCE	COMMENTS
1. The population at the Annex will comply with the capacities set forth in the Decree.	Yes	The annex was closed on November 8, 1985.
2. Inmates at MR&E Center will not be triple-celled.	Yes	The MR&EC was triple celling inmates during

3. R&EC can be double celled.

Yes

portions of this reporting period. However, as a result of the additional bed spaces provided at the 4 new housing units, inmates at the MR&EC could be transferred. As of 9/19/86 all inmates in MR&EC are single celled.

See #2 above. The MR&EC was single celled as of 9/19/86.

4. Inmates shall not be housed longer than 14 days at the MR&EC. Inmates housed longer than 14 days will receive visitation and recreation privileges as required under Sections III. O. 2. and III. J. 2. (a)., respectively.

Non-Compliance during this reporting period

During this reporting period, some inmates have been housed over 14 days at the MR&EC. The longest recorded number of days in which an inmate was held over the 14 day limit was 48 days. Information regarding this was provided by MR&EC officials for the months of June, July & August only. However, now that all additional housing units have been completed and the MR&EC is now being single celled, compliance with this issue should be more readily achieved. Compliance information regarding this requirement will be included in the next Quarterly Report. Inmate housed over 14 days will receive visitation and recreation privileges

		pursuant to Section III, J, 2 (a) of the Decree.
5. YOA 5.b.'s can be single celled and can be housed no longer than 14 days.	Yes	YOA 5.b inmates are only housed at the MR&EC for 3 days for initial processing and then are transferred to PR&EC. As of September 19, 1986 all inmates including YOA 5.b's are being single celled.
6. Inmates held longer than 14 days will receive visitation and recreation privileges.	Yes	Visitation for assigned workers and YOA's in effect and Policy 11500.3, "Visiting Privileges," has been revised. Inmates have the opportunity to receive one (1) hour of outdoor recreation per day as required by the terms of the settlement for all inmates on "lock-up" status.
7. Close R&EC.	Progress	The R&EC Annex has been closed (see #1 and #6, above).

PERRY RECEPTION AND EVALUATION CENTER

ISSUE	COMPLIANCE	COMMENTS
1. Triple celling will be eliminated.	Yes	In accordance with the terms of the Court Order of July 22, 1986, all inmates at PR&EC were double celled as of September 19, 1986.
2. YOA 5.b.'s can be double-celled and can	Yes	No YOA 5. b's tripled. See #1 above.



be housed no longer than fourteen days.		
3. PR&EC can triple cell 50 cells.	Yes	No more than 23 cells were triple-bunked during this reporting period. However, this ceased 9/18/86 in order to achieve compliance with the court order issued July 22, 1986.
4. PR&EC can be double celled.	Yes	PR&EC can be double celled until 7/1/87.
5. Inmates shall not be housed longer than 14 days at the PR&EC. Inmates housed longer than 14 days will receive visitation and recreation privileges as required under Sections III. O. 2. and III. J. 2. (a)., respectively.	Yes	No inmate housed over 14 days.

CATEGORY XVI: FOOD SERVICES

Only those issues for which additional progress has been indicated since the last reporting period (July 8, 1986) have been included under the "Food Services" Category. Issues #2-#30 are continuously monitored by the Food Services Branch and continue as of September 8, 1986 to be in compliance. Therefore, please see "Defendant's Sixth Quarterly Report on Compliance" for a detailed description of compliance information with regard to the "food services" issues.

1. A plan will be provided for providing food services to inmates in segregation housing units...

- a. A new plan was developed for the provision of food to those

inmates in segregated areas. The procedures entailed in this plan were implemented on December 31, 1985. Since that time, this plan has been improved (revised) and new procedures implemented which have proven beneficial to the inmates and to the Food Service workers as well. Aluminum carrying cases are now being utilized for transporting food to the lockup areas. Each case accommodates six trays. As soon as the trays are prepared and immediately after each case is filled, the carrying case is filled, and the carrying case is sent to the confinement area. This has significantly reduced the amount of time required to serve food to those in these areas and has given us the capability to serve hot and cold food items at the correct ("hot" or "cold") temperatures.

In May, 1986, new forms were developed to instruct food service personnel as to the procedures for transporting food to the lockup areas. The forms were developed on a trial basis and thus far have proven to be very beneficial. After the initial trial, the use of these forms will be expanded to other lockup areas.

- b. The Food Service Branch is now developing a training program, using video taping equipment, for all Food Service personnel throughout the state. This is needed to ensure that the training received is, in fact, in the nature of food preparation and service and to implement a "uniform" training program for all employees of this branch.

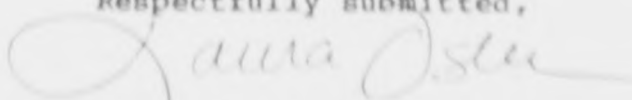
CATEGORY XVII: OTHER ISSUES

1. A plan will be submitted for the provisions of personal property to inmates housed in segregation areas...
  - a. The Operations Branch revised SCDC Policy 1500.30, "Inmate Personal Property," to fulfill the requirements of this issue. The policy sets forth the type and amount of personal property items inmates confined in such areas may have. For a description of property allowed, see the "Fifth Quarterly Report."
2. Chapter IV: "Disciplinary Procedures," of the INMATE GUIDE will be written pursuant to the changes set forth in the Settlement...
  - a. Chapter IV was reviewed and revised by the Compliance Office pursuant to the requirements set forth in the Decree and was published in the January, 1985 edition of the INMATE GUIDE, pages 44-64.
3. Minor modifications to the Inmate Grievance Procedures will be made pursuant to the requirements stated in the Decree

and the Grievance Procedure will be published with the INMATE GUIDE...

- a. Modifications to the Inmate Grievance Procedure were made pursuant to the requirements of the Decree by the Inmate Relations Branch and were included in the January, 1985 edition of the INMATE GUIDE, pages 100-104.
4. Women housed at WCC will have the same disciplinary procedures used against them as males; will be allotted the same amount of movement, exercise, visitation and dress privileges as males; and will have the same access and type of educational, vocational, counterparts.
  - a. Women inmates have the same disciplinary procedures used against them as male inmates, have the same visitation privileges and are afforded comparable access to educational, vocational, etc. programming.
  - b. All female inmates are allowed the same exercise privileges as those afforded male inmates pursuant to the requirements regarding exercise set forth in the Decree and in SCDC Policy with the exception of those inmates housed in Cottage IV who are given a choice of going outside or in the gymnasium. If a resident has signed up for outdoor recreation and it rains, the inmate is given the opportunity to go to the gym. If the inmate does not desire to go to the gym and still desires outdoor recreation, sufficient makeup hours will be provided the inmate pursuant to the requirements of the Decree.
  - c. With the exception of Cottage IV and the Detention area WCC has no dress code. Inmates in Cottage IV are required to wear a blue denim shirt with their jeans while on the compound. Female inmates that live in Cottage IV or are on detention status but work in the apparel plant are required to wear a green smock shirt and white pants for security purposes. However, these requirements are necessary inasmuch as the WCC is an open institution and staff and other inmates need to be able to recognize or distinguish those inmates that are maximum security inmates.

Respectfully submitted,



Laura Ann Oaler  
Executive Assistant for Legal  
Settlements and Compliance

SECTION II:  
APPENDICES



APPENDIX A:  
Progress Report:  
Implementation Status of  
Medical Care Recommendations

04142

PROGRESS REPORT

Implementation Status of Medical Care Recommendations  
September, 1986

PROGRESS REPORT:

IMPLEMENTATION OF RECOMMENDATIONS OF DOCTORS  
COHEN AND ROSENBERG AND MS. NORMAN

Recommendation No. 1: Provide staff at major institutions 24 hours/day,  
7 days/week.

Forty-three additional nursing personnel positions were required to meet this recommendation; thirty-nine of these positions were funded for six months of Fiscal Year 85-86 and the other four positions were funded for Fiscal Year 86-87. Thirty-two of these nursing personnel were hired as of July, 1986; eleven nursing positions remain to be hired.

Of our major institutions, the following institutions have 24-hour staffing, 7 days per week: CCI, KCI, PCI, and SPCC. The following institutions have 16 hours of staffing, 7 days per week: Cross Anchor and Dutchman with an anticipated date for 24 hour staffing of October 1, 1986. Of the remaining major institutions throughout the Department, the following status is reported:

MCI: 16 hours/Monday through Friday, 12 hours/Saturday and Sunday. Will convert to 16 hours/7 days per week as soon as two remaining vacant positions are filled.

GCI: Coverage has increased to 11 hours/Monday through Friday, three hours/Saturday and Sunday. Will convert to 16 hours/7 days per week when four vacant positions are filled. We are actively recruiting to fill these vacancies.

WCC: 16 hours/five days per week, eight hours/weekends. This coverage had to be continued due to resignations. Coverage is expected to increase to 24 hours/five days per week, 16 hours/weekends by November, 1986. Twenty-four hours/7 days per week will be in effect by December, 1986.

WRCI: 24 hours/five days per week, 16 hours/Saturday and Sunday. Two vacant positions are being actively recruited. When these vacancies are filled, 24 hours/7 days per week coverage will be implemented.

NOTE: All expansion of hours depends upon successful recruitment of personnel.

Recommendation #2: Provide emergency equipment at major institutions.

All recommended equipment has been purchased. Defibrillation training for nurses has been accomplished as of July 30, 1986. The instructor for the training was Mary Willis. The State Board of Nursing has approved for nurses to defibrillate only at the South Carolina Department of Corrections (see Attachment A).

All nursing personnel are also certified in CPR. CPR training has been included in the Correctional Officer's Training at the institutional level as well. Also, each institution has an assigned trainer to keep Correctional Officers current in CPR.

Note: See also, issue #56 in the body of the "Quarterly Report" for additional information regarding equipment purchase and installation.

Recommendation #3: Doctor Neal assigned to full time administrators duties.

A position was hired at Kirkland Correctional Institution in August of 1985 so that Dr. Neal could become more involved with administrative duties. As of December, 1986, Dr. Neal will assume his role as Administrator, Health Services Branch.

Recommendation #4: Seek ties with local medical institutions for physician recruitment.

The medical school at the University of South Carolina is currently under contract to provide orthopedic services to SCDC. SCDC also qualifies for the National Health Service Corps recruitment list. Three National Health Service Corps physicians were hired for Fiscal Year 1986-87.

Contracts are established with community physicians and hospitals to provide care unavailable in correctional systems and mental health (Byrnes Clinical Center). SCDC is on the list with the Medical University of South Carolina consortium (Physician's Placement List in Charleston).

Recommendation #5: Physicians are to review charts within 24 hours.

To meet this recommendation, it was necessary to increase the former physician staff of seven to a total of 18 physician positions. As of July 20, 1986, 15 of these positions have been filled. Of the remaining three positions, two physicians were brought on in August and September of 1986 and the remaining slot will be held vacant for a National Health Service Corps physician which is to be hired during Fiscal Year 1986-87 (see recommendation #4, above).

Physicians are reviewing charts within 24 hours except on weekends. Weekend charts are reviewed on Monday morning because there is no sick call scheduled on weekends except for emergencies. Dr. Neal's statement on this recommendation is attached (See attachment B).

Recommendation #6: Record the distribution of all medication.

The Health Services Branch is still in the process of hiring nurses to comply with this requirement. Thirteen positions were needed in order for compliance purposes. Of these positions, two have been hired and the remaining eleven are presently being interviewed. It should be noted, however, that Dutchman and Cross Anchor have already complied with this requirement and are recording the distribution of all medications.

Recommendation #7: Institute unit dose system for psychotropic



medications.

Three pharmacists remain to be hired in Fiscal Year 1986-87, as well as additional nursing staff, in order to implement this recommendation. Medication has been ordered in unit dose in preparation for this requirement. Implementation is planned by November of 1986.

Recommendation #8: Correctional Officers are to no longer distribute medication.

Additional staff is also needed in order to meet this recommendation. As soon as staff is hired for recommendations 1, 6 and 10, SCDC will be able to meet this recommendation. Implementation is currently planned by December of 1986.

Recommendation #9: Provide physician coverage at the Women's Center on a daily basis.

A full time physician has been assigned to the Women's Center.

Recommendation #10: Provide a ten-bed infirmary at the Women's Center.

The "Certificate of Need" for this infirmary received final approval from the Department of Health and Environmental Control. Thirteen nursing positions were allocated for the outpatient/inpatient unit. Five positions have been filled and the remaining eight positions are currently being recruited.

Money has been allocated for the construction and equipment for this infirmary. Construction should begin in October, 1986, and is scheduled to be completed in March, 1987.

The Pharmacist position for the infirmary was hired in July, 1986.

Recommendation #11: Provide a 20-bed infirmary at Perry Correctional Institution.

The "Certificate of Need" for this infirmary has been approved by the Department of Health and Environmental Control. Construction is scheduled to begin in October, 1986, with a scheduled completion date of January, 1988. Equipment and capital funds have also been approved and staff will be hired closer to the completion date of the infirmary.

Recommendation #12: Prohibit punitive segregation for medical observation.

No inmates are placed in segregation for medical observation purposes. Dr. Neal's memorandum concerning this requirement is attached as Attachment C.

Recommendation #13: Combine geriatric/nursing home populations into one.

04146

Plans are in the process to move the Handicapped Unit from Goodman Correctional Institution to Stevenson Correctional Institution so that more programs will be available and to also provide a less stressful environment. There is presently a Handicapped Unit at State Park Correctional Center, a Handicapped Unit at Kirkland Correctional Institution for medium/maximum security inmates, and a 40-bed Handicapped Unit at Goodman Correctional Institution. Two nursing assistant positions have been allocated and funded for State Park Correctional Center this Fiscal Year.

Recommendation #14: Physicians are to visit segregation areas at least once per week.

Physicians have been instructed to visit segregation areas once a week. Nelson Health Service Audits indicate that physicians are visiting segregation units weekly as instructed. (See memorandum from Dr. Neal to this effect, Attachment D).

Recommendation #15: Augment medical records staffing.

All recommended personnel have been hired. The Health Services Branch is in compliance with this recommendation.

Recommendation #16: Provide additional dental operatories at CCI and KCI.

Fiscal Year 1985-1986 positions: A Dentist and Dental Assistant have been hired for CCI. The Dentist and Dental Assistant positions intended for Kirkland were hired for Perry instead due to a critical need at Perry for such positions. Positions were to have been "repaid" from Fiscal Year 1986-1987 Perry positions in recommendation #17; however, these positions were cancelled by the Deputy Commissioners.

Fiscal Year 1986-1987 positions: Two Dental Assistant positions were established for CCI and KCI and both have a hire date of December 17, 1986.

Recommendation #17: Provide additional dental staff to reduce dental backlog.

A Dentist and a Dental Assistant position intended for Perry were cancelled by the Deputy Commissioners. Positions established for the Dentist and the Dental Assistant for Dutchman and Cross Anchor have a hire date of December 17, 1986.

Recommendation #18: Provide clerical staff for Kirkland's dental clinic.

One administrative support specialist position was recommended for Fiscal Year 1986-1987; however, this position was cancelled by Governor's veto.

Recommendation #19: Provide additional central, clinical and administrative staff.

All recommended personnel have been hired. Health Services is presently in compliance with this issue.

04148

State Board of Nursing  
for  
South Carolina

ATTACHMENT #1

(803) 758-2611 Information  
(803) 758-5942 Education  
(803) 758-5515 Legal

Suite 102  
1777 St. Julian Place  
Columbia, S.C. 29204-2488

September 5, 1985

Donna Mae Palma, R.N., M.N.  
Clinical Nurse Specialist  
SC Department of Corrections  
P.O. Box 21787  
Columbia, SC 29221-1787

Dear Ms. Palma:

I have received your letter requesting information on the appropriateness of registered nurses defibrillating patients experiencing cardiac arrest under standing orders from a physician. In addition, you expressed concern regarding the appropriate educational qualification required prior to the nurse undertaking this responsibility.

Within the broad guidelines of the Laws Governing Nursing and the Rules and Regulations, an institution may establish policy, procedure, and protocols to cover the handling of emergency situations until a physician can be obtained. Though defibrillation is not a routine task performed by registered nurses, it is not inconceivable that the registered nurse would be the most qualified individual available to perform the function. The registered nurse should not presume to perform such emergency measures in lieu of calling a physician or other medical personnel needed in an emergency.

In addition to developing a policy and procedure for defibrillation, the employing institution should be responsible for either providing or assuring that provisions are made for the special education and training necessary to perform the defibrillation competently and appropriately. In order to determine what preparation is needed you might contact several hospitals in the local area as well as researching the literature. Agency policies/procedures should specify what qualifications are required based on the above. Provisions then need to be made to assure that each person required to perform defibrillation is properly trained including opportunities for regular simulated practice.

04149

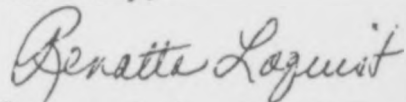


Donna Mae Palma, R.N., M.N.  
September 5, 1985  
Page 2

Maintaining skills in interpreting rhythm strips is a problem. One thing you might want to consider is exploring the use of audiovisual aids for this purpose. I would suggest that you might contact either the staff development department of one of the local hospitals or the autotutorial laboratory at the USC College of Nursing for information regarding resources for autovisuals.

I trust this information will be of assistance to you. Should you have further questions, please do not hesitate to contact the Board.

Sincerely,



Renatta S. Loquist, R.N., M.N.  
Executive Director

RSL:ek

## SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

## - MEMORANDUM -


TO: Mrs. Patricia B. Satterfield, Director, Division of Health Services

FROM: Green B. Neal, M.D., Director, Professional Medical Services

SUBJECT: Review of Medical Charts

DATE: July 18, 1986

This is to inform you that all charts are now reviewed within 24 hours, with the exception of weekends. Those charts are reviewed on Monday mornings.

  
\_\_\_\_\_  
Green B. Neal, M.D.

GBN:wns

04151

## SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

## - MEMORANDUM -

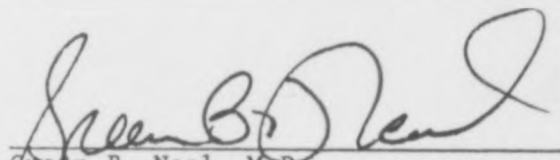
TO: Mrs. Patricia B. Satterfield, Director, Division of Health Services

FROM: Green B. Neal, M.D., Director, Professional Medical Services

SUBJECT: Prohibition of Segregation for Medical Observation

DATE: July 18, 1986

All physicians have been instructed that inmates are not to be placed in punitive segregation for medical observation.

  
Green B. Neal, M.D.

GBN:wns

04152

## SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

## - MEMORANDUM -

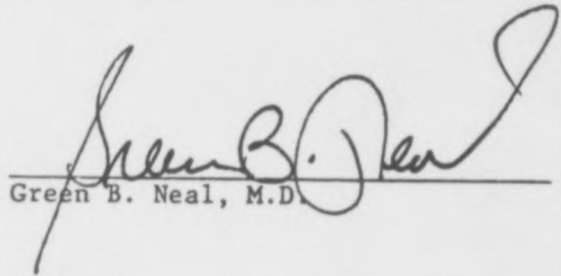
TO: Mrs. Patricia B. Satterfield, Director, Division of Health Services

FROM: Green B. Neal, M.D., Director, Professional Medical Services

SUBJECT: Weekly Visits to Segregation Areas

DATE: July 18, 1986

All physicians have been instructed to visit segregation areas at least once each week. Review of this practice indicates that physicians are following this order as instructed.

  
Green B. Neal, M.D.

GBN:wms

04153



**APPENDIX B:**  
**Progress Report:**  
**Implementation Status of**  
**Mental Health Recommendations**

**04154**

Nelson Mental Health Staffing Study  
Division of Human Services  
September 10, 1986

Progress Report: Implementation of Recommendations of Dr. Baccus  
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Recommendation #1: Incorporate mental health services in the organizational structure as part of health services.

Currently, Mental Health Administration has offices in Health Services Administration area and reports to the Director, Division of Health Services.

Recommendation #2: Recruit a Mental Health Administrator.

A Mental Health Administrator was appointed in August, 1985.

Recommendation #3: Provide statewide consultation and supervision by doctoral level psychologists.

1. Nine (9) doctoral level State liscensed psychologists were contracted through a competitive State Bid process to provide psychological consultation for the period October 1, 1985 through June 30, 1987. State Notice Number 6/7-794-1107307-06/27/85-P.
  - a. Psychological consultants implemented contractual services during the period for the following institutional Social Work Services programs: PCI, GYCC, NCC, DCI, CACI, WCC, KCI, WPRC, CCI, WRCI, SPCC, MYCC, CLI, AYCC, GCI, WCI and SCI.
  - b. Psychological consultants implemented contractual services for the following special programs: Three (3) Reception and Evaluation Centers, habilitation unit at SCI, the Sexual Offender Treatment Program, and the Transitional Care Unit at CCI.
2. A Chief, Social Work Services Branch, within the Division of Human Services position was created to provide technical program supervision to institutional social work staff.
3. This recommendation by Dr. Baccus was met.

Recommendation #4: Hire psychiatric nursing personnel.

04155

1. Three psychiatric nurse positions, one each at CCI, KCI and PCI were approved. A nurse was interviewed and will be hired October 17, 1986, to replace a nurse hired in October, 1985, who resigned in July, 1986. Recruitment and interviewing continues for the nurse at PCI which opened May 2, 1986, and the position at KCI which opened September 2, 1986.

Recommendation #5: Contract psychiatric services on a regional basis.

Information pertaining to this requirement will be included in future editions of the Quarterly Report.

Recommendation #6: Hire additional Master of Social Work (MSW) clinicians at the larger administrative segregation (AS) units.

1. One (1) Social Worker was hired for the AS Unit at CACI/DCI.
2. One (1) Social Worker was hired for the AS Unit at KCI.
3. One (1) Social Worker was hired for at MR&EC.
4. One Psychologist was hired for the PR&EC.
5. One Psychologist was hired for the Lieber R&EC.
6. This recommendation by Dr. Baccus was met.

Recommendation #7: Provide for clinical support staff at Work and Pre-Release Centers at a ratio of 1:75.

1. This recommendation is scheduled to be implemented during Fiscal Year 1987 - 1988.
2. Psychological consultation at these Centers will also be implemented during Fiscal Year 1987-1988.

Recommendation #8: Develop a TCU/psychiatric unit at WCC.

Information pertaining to this requirement will be included in future editions of the Quarterly Report.

Recommendation #9: Develop TCU Units.

Information pertaining to this requirement will be included in future editions of the Quarterly Report.

04156

Recommendation #10: Provide for the provision of clinical support for added professional staff.

1. An Administrative Specialist position was added to the central Division of Human Services office to accommodate increased workloads.
2. Ten (10) institutional Administrative Specialist positions scheduled to be hired October 1, 1986, were vetoed by the Governor. These positions were to be assigned at the Social Work Services Programs at PCI, DCI, CACI, WCC, KCI, CCI, SPCC, MCI, WRCI and MYCC.
  - a. The ten (10) positions were requested by SCDC for FY 87-88.

Recommendation #11: Augment staff at the Gilliam Psychiatric Center.

1. All recommended positions were approved for the Gilliam Psychiatric Center and recruitment continues for the positions not yet filled.
2. Of all the positions allocated for this unit, only three remain to be filled: Registered Nurse position and two Program Nurse Consultants.

Recommendation #12: Provide additional staff at the Habilitation Unit at SCI.

1. Three (3) positions, a Correctional Officer (day shift), an Administrative Specialist, and a Production Coordinator, were added to the Unit during FY 1985-1986 to provide for more comprehensive staffing and to begin a day service program.
2. Four (4) positions, a Social Worker, Special Education Teacher, Hortitherapist, and a Correctional Officer (second shift) are scheduled to be added during FY 1987-1988.

Recommendation #13: Provide Social Workers for the general population at a ratio of 1:150.

1. Eight (8) Social Worker positions were added during FY 85-86. These included seven (7) positions at CCI and one at PCI.
2. Five (5) Social Worker Positions were included in the staffing for the new Lieber Correctional Institution.
3. Four (4) Social Worker positions were included in the staffing for the new McCormick Correctional Institution.
4. Eight (8) Social Worker positions are scheduled to be hired during FY 86-87. These include a Social Worker Position at GYCC, NCC, GCI, SCI, WCI, SPCC, WRCI and AYCC.

04157



5. Because of the addition of 96 inmates at NCC, GCI and MCI as a result of the housing units, requests have been submitted for an additional Social Worker position at these institutions for FY 1987-1988 in order to achieve full compliance with this recommendation.

**APPENDIX C:**  
**Planning Format for**  
**Educational Credit**

**04159**

# PLANNING FORMAT FOR EDUCATIONAL CREDIT

<u>Task</u>	<u>Responsible Person</u>	<u>Schedule for Completion</u>
I. Finalize policies and get signatures	Wendell Blanton and Dave Bartles	October 1, 1986
II. Revise institutional plans	Wendell Blanton	October 1, 1986
III. Develop and refine screen	John Ward	September 15, 1986
Programing and Editing	John Ward	October 10, 1986
Calculations	Rex Johnston	October 31, 1986
IV. Develop forms for communication between Education and Classification	Sammie Brown and Wendell Blanton	October 1, 1986
V. Train classification personnel	Sammie Brown	October 15, 1986
VI. Train educational personnel	Wendell Blanton	October 15, 1986
VII. Implementation	Institutional Staff	November 1, 1986

## Meeting Schedule:

<u>Date</u>	<u>Place</u>	<u>Time</u>	<u>Main Purpose</u>
September 15, 1986	Headquarters - Room 108	1:30	Finalize screen, review programing
September 22, 1986	Headquarters - Room 216	1:30	General overview and finalize forms
October 15, 1986	Headquarters - Room 216-218	10:00	Training of Education and Classification personnel

Note: Other meeting will be scheduled if necessary

04150

APPENDIX D:  
Job Progress Memorandum,  
McCormick Correctional Institution

EXHIBIT

OCT 21 1986 NO. 4

STATE BUDGET & CONTROL BOARD

04161





# CONSTRUCTION CONSULTANTS, INC.

CONSTRUCTION MANAGERS / CONSTRUCTION ENGINEERS

**RECEIVED**  
CONSTRUCTION,  
ENGINEERING & MAINTENANCE  
FILE \_\_\_\_\_

## SCHEDULE REVIEW MEETING

SEP 2 1986

DATE: AUGUST 27, 1986  
TIME: 1:30 P.M.  
PLACE: MCCORMICK CORRECTIONAL FACILITY

MEER	<input type="checkbox"/>	CARROLL	<input type="checkbox"/>
OBERLIES	<input type="checkbox"/>	FETNER	<input checked="" type="checkbox"/>
QUEY	<input type="checkbox"/>	McLENDON	<input checked="" type="checkbox"/>
	<input type="checkbox"/>		<input type="checkbox"/>

PRESENT: JIMMY ANDERSON  
TOM KENNEDY  
FRANK VELLA  
TED PROSSER

J.W. BATESON  
CONSTRUCTION CONSULTANTS, INC.

CARLISLE & ASSOCIATES

1. The contractor is presently 13 days behind the scheduled contract completion date of 16 Feb. 87. There are 15 awarded rain days to date with an additional two such days requested yet to be approved.
2. The U Building has become the critical construction item. This is largely due to loss of float this item once enjoyed.
3. The importance of such non-critical items in the F Buildings as the roof top HVAC units and the window glass and trim was discussed. Jimmy Anderson acknowledged Bateson's awareness of the important role these items play in the overall construction performance.
4. The fact that major subcontractors, namely Freeman and Ivestor, were not present, it was suggested that the meeting be adjourned until next Wednesday, Sept. 3, 1986 at 1:30 P.M.

04162

**APPENDIX E:**  
**Job Progress Memorandum,**  
**New Midland's Reception and**  
**Evaluation Center**

**04163**



CONSTRUCTION CONSULTANTS, INC.  
CONSTRUCTION MANAGERS / CONSTRUCTION ENGINEERS

August 28, 1986

Mr. Donn McCrary  
Stevens & Wilkinson  
P. O. Drawer 7  
Columbia, SC 29202

Re: Midlands R & E Center  
State Project No. 8624-NO4-082

Dear Mr. McCrary:

I have reviewed the work in progress at the Midlands R & E Center and find that Guest Associates is at present three (3) days behind the approved CPM project schedule.

It is expected that the scheduled roof slab pour in Building U-3 will be made on September 4, 1986. This should place the project back on schedule.

Please notify Guest Associates, Inc. of this contractual requirement concerning the current deficiency.

Very truly yours,

CONSTRUCTION CONSULTANTS, INC.

Thomas W. Kennedy, Jr., P.E.

TWK:jad

04164

SECTION III:

Index

(Issues, Compliance Dates,  
Compliance Status and the  
Page Number(s) for all Issues  
Presented in the Quarterly Report, 10/8/86)

04165



ISSUES, COMPLIANCE DATES AND THE COMPLIANCE STATUS  
OF REQUIREMENTS SET FORTH IN THE  
NELSON V. LEEKE SETTLEMENT

Category I: Notification

	Compliance Date/Status	Page
1. The terms of the settlement will be explained or made known to all SCDC employees.	2/8/85: Complied	1
2. All inmates and staff of the SCDC will be made aware of the issues contained within the Settlement through publication of a synopsis of the Settlement in the SCDC Newsletter, "The Intercom."	1/18/85: Complied	1
3. All inmates will be made aware of the Settlement through publication of a synopsis of the Settlement in the INMATE GUIDE.	2/8/85: Complied	1
4. Ten copies of the Settlement will be placed in every institutional library.	1/18/85: Complied	1
5. Copies of the Decree will be placed in every institutional housing unit.	1/18/85: Complied	1

Category II: Housing

1. Triple celling and triple cubicling will end at all institutions with the exception of NCC, WRCI, LSWRC and CWRC.	2/8/85:Complied at some institu- tions 8/5/86; and 9/19/86 at other institutions	2
2. Triple celling and triple cubicling will end at WRCI and NCC.	1/8/86: Complied	2
3. Triple celling and triple cubicling will be phased out at CWRC and Dorm 1, LSWRC.	11/15/86; (Modified) Interim Agree- ment between parties allows triple celling at these insti-	2

	tutions.	
4. An appendix will be created and attached to the Settlement which will list the maximum housing capacities for every institution based on the square footage requirements stated in the Decree.	1/8/85: Complied	3
5. All inmates confined to their cells for periods which exceed 12 hours per day will receive at least 40 sq. ft. of living space per inmate.	1/8/86: Complied at some institutions on 8/15/86 and others on 9/19/86.	3
6. General population inmates at medium and maximum security institutions will receive at least 50 sq. ft. of living space per inmate in cells and wards with certain exceptions (see #13, below).	1/8/88: N/A	3
7. All inmates confined in minimum security institutions will receive at least 50 sq. ft. of living space in cells and at least 45 sq. ft. of living space in wards, rooms and cubicles, with certain exceptions (see #13, below).	1/8/88: N/A	3
8. All capacities set forth in the appendix will be met at medium/maximum security institutions.	1/8/88: N/A	4
9. All capacities set forth in the appendix will be met at minimum security institutions.	1/8/90: N/A	4
10. All inmates confined less than 12 hours per day will receive 50 square feet of living space in all future institutions built by the SCDC.	unspecified: N/A	4
11. All inmates housed in wards, dorms and rooms at PRC's and WRC's will receive 45 sq.ft. of living space per inmate.	1/8/90: N/A	4
12. Double cubicling can occur at minimum sec-		

	urity institutions provided that each inmate is allotted 45 sq.ft. of living space.	1/8/90: N/A	4
13.	Inmates may be double-celled where each inmate receives 50 sq.ft., with exceptions allowed at PCI, KCI, MYCC, CCI and WCC, for double-celling with less square footage.	1/8/88-med. 1/8/90-min.: N/A	4
14.	Inmates in protective custody can voluntarily request to be double-celled.	1/8/86: Complied	4
15.	No inmate will be housed in an area which is not designed, or suitable, for housing.	2/8/85: Complied	5
16.	No inmate may be housed in a county facility longer than 30 days without his/her voluntary consent provided that his/her incarceration was not pursuant to lawful detainer, lawful summons for trial or pending lawful extradition.	2/8/85: Complied	6
17.	The SCDC can fluctuate above the counts set in the appendix provided that all construction schedules are being met.	1/8/88 to 1/8/90 N/A	6
18.	Maximum capacities will be monitored at all institutions: Capacities at institutions with less than 200 inmates can deviate 10% over and capacities at institutions with more than 200 inmates can deviate 5% over the required rate provided that the total net for all institutions does not exceed the proposed net for any given time period.	After 1/8/88 at med. security and after 1/8/90 at min. security: N/A	6
19.	Monitoring must be done to ensure that all minimum security institutions are having population reductions of 25% over the Settlement capacities every six months, after January, 1988.	1/8/88 to 1/8/90 N/A	6
20.	The SCDC will expect, and will monitor, that an average net increase of 30-50 inmates per month can be expected as		

measured by quarterly reports.	2/8/85: Net increase greater than projected	7
21. Double-bunking in wards at medium and maximum security institutions will be permitted only against the walls.	2/8/85: Complied	7
22. Double-bunking in the wards at medium and maximum security institutions will cease.	1/8/88: N/A	7
23. Future double-bunking in wards at minimum security institutions will be permitted only against the walls.	2/8/85: Complied	7
24. Double bunking in wards at minimum security institutions will cease.	1/8/90: N/A	7
Category III: Staffing		
1. An implementation plan for the recommended changes proposed in the NIC staffing study will be submitted.	4/8/85: Complied	7
2. The staffing plan (above) will be implemented.	1/8/86: Complied	8
3. The inmate/staff ratio at medium and maximum security institutions will not exceed the ratio of 1/25/83.	1/8/86: Complied	8
4. Correctional officers will be assigned inside each ward or cell block at all medium and maximum security institutions.	1/8/86: Complied	9
5. Correctional officers will have sight or sound observation of inmates within cell-blocks and wards.	1/8/86: Complied at most facilities and will be in compliance at all other facilities as soon as authorized	



	positions have been filled	9
6. Procedures relating to the use of inmate labor will be reviewed and modified where necessary so that inmate's don't exercise authority over other inmates or supervise other inmates with regard to the administration of institutions.	2/8/85: Complied	11
Category IV: Staff Training		
1. ACA Standard 2-4079--All institutional training programs will be planned, coordinated and supervised by a qualified supervisor and all programs will be reviewed annually.	2/8/85: Complied	
2. ACA Standard 2-4080--All institutional trainers will complete a 40-hour training for trainers course.	2/8/85: Complied	11
3. ACA Standard 2-4081--All institutions will have an advisory training committee responsible for developing an institutional training plan, meeting quarterly with the Warden and for maintaining written reports of quarterly meetings.	2/8/85: Complied	
4. ACA Standard 2-4983--All institutional training plans will provide for ongoing formal evaluations of all training programs with a written report prepared annually.	2/8/85: Complied	
5. ACA Standard 2-4084--Documentation of all library and reference services which are available for training purposes will be provided.	2/8/85: Complied	
6. ACA Standard 2-4085--Documentation will be provided which illustrates that training programs utilize the resources of other public and private agencies, industries, colleges and libraries.	2/8/85: Complied	
7. ACA Standard 2-4086--Documentation as to the space and equipment available for training purposes will be provided.	2/8/85: Complied	
8. ACA Standard 2-4087--The budget includes		

	funds for reimbursing staff for time spent in training or for replacement personnel for staff members away for training.	2/8/85: Complied	
9.	ACA Standard 2-4088--All new full-time employees will receive 40 hours of orientation training.	2/8/85: Complied	11
10.	ACA Standard 2-4089--All clerical employees with minimal contact with inmates will receive 16 hours of training during their first year of employment and 16 hours of annual training thereafter.	2/8/85: Complied	12
11.	ACA Standard 2-4090--All support employees will receive 40 hours of in-service training during their first year of employment and 40 hours of annual training thereafter.	2/8/85 to begin compliance with the training requirements during the first year of employment:	
12.	ACA Standard 2-4091--All professional specialist employees will receive an additional 40 hours of training each subsequent year of employment.	Complied	12
13.	ACA Standard 2-4092--All new correctional officers will receive an additional 120 hours of training their first year of employment and an additional 40 hours of training each subsequent year.	1/8/88 to phase in compliance with the requirement that employees receive training each subsequent year of employment:	
14.	ACA Standard 2-4093--All administrative and managerial staff will receive 40 hours of training during their first year of employment and an additional 40 hours each subsequent year.	N/A	
15.	ACA Standard 2-4094--All officers assigned to an emergency unit will have one year of experience as a correctional officer, will receive 40 hours of emergency unit training prior to assignment, and will receive 16 hours emergency training each subsequent year of employment.	2/8/85: Complied	
16.	ACA Standard 2-4095--All part-time staff will receive formal orientation appropriate to their assignments.	2/8/85: Complied	
17.	ACA Standard 2-4096--All personnel authorized to use firearms will receive firearms training and will be required to demonstrate competency on an annual basis.	2/8/85: Complied	12

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| 18. ACA Standard 2-4097--All individuals authorized to use chemical agents will be trained in the use of such agents and the treatment of individuals exposed to such agents.              | 2/8/85: Complied |
| 19. ACA Standard 2-4098--All security staff are trained in approved methods of self-defense and the use of force.  | 2/8/85: Complied |
| 20. ACA Standard 2-4099--There will be a written policy which encourages employees to advance their education.   | 2/8/85: Complied |
| 21. ACA Standard 2-4101--There is documentation that the institution provides a means of reimbursement or leave for employees attending professional meetings, conferences, seminars, etc. | 2/8/85: Complied |

Category V: Health Services

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| 1. ACA Standard 2-4271--There is a health care authority with responsibility for health care services.   | 2/8/85: Complied | Issues 1-52 & 61-75 are contained in the "First Quarterly Report |
| 2. ACA Standard 2-4272--Medical, psychiatric and dental problems are the sole responsibility of the physician, dentist or psychologist; however, security regulations apply to health staff as well. | 2/8/85: Complied |  |
| 3. ACA Standard 2-4273--The health authority will meet with the Warden quarterly and will submit annual and quarterly reports on the health care delivery system to the Warden.                      | 2/8/85: Complied |  |
| 4. ACA Standard 2-4274--Each health care policy or program is reviewed annually.   | 2/8/85: Complied |  |
| 5. ACA Standard 2-4275--An adequately equipped medical facility that meets the requirements for a licensed general hospital is available to all inmates.   | 2/8/85: Complied |  |
| 6. ACA Standard 2-4276--Infirmary care will include the following in policy form:<br>a. a written description of the scope of infirmary services;<br>b. a physician on 24-hour call;                 |                  |  |



c. nursing services under the direction of a RN or physician's assistant;	
d. health care staff on duty 24 hours;	
e. inmates in sight or sound of staff;	
f. a manual of nursing care procedures;	
g. a separate medical record for each inmate; and,	
h. compliance with state and local licensing requirements.	2/8/85: Complied
7. ACA Standard 2-4277--Space, equipment and supplies are available for health care services.	2/8/85: Complied
8. ACA Standard 2-4278--First aid kits are available in designated areas of all facilities.	2/8/85: Complied
9. ACA Standard 2-4279--Policy provides for 24-hour emergency dental and medical care as outlined in a written plan which includes arrangements for such things as onsite emergency first aid, use of an emergency vehicle, emergency on-call physician and dental services, etc.	2/8/85: Complied
10. ACA Standard 2-4281--The health care authority determines personnel requirements in order to provide inmate access to health care staff and services.	2/8/85: Complied
11. ACA Standard 2-4282--Arrangement are made with health care specialists in advance of need.	2/8/85: Complied
12. ACA Standard 2-4283--Policy provides for mental health services provided by qualified mental health professionals who meet educational and licensure/certification criteria.	2/8/85: Complied
13. ACA Standard 2-4284--Health care staff have appropriate state and federal certification; have job descriptions; and, have verification of current credentials.	2/8/85: Complied
14. ACA Standard 2-4285--Policy provides that correctional personnel are trained to respond to health emergencies within four minutes. A training program is established which includes such items as the recognition of signs and symptoms, the administration of first aid and CPR, the signs and symptoms of mental illness, etc.	2/8/85: Complied



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| 15. | ACA Standard 2-4286--Treatment of inmates by other than a physician, dentist or optometrist is performed pursuant to Standing or Direct Orders.   | 2/8/85: Complied |
| 16. | ACA Standard 2-4287--If an institution uses students or interns for health care, policy will provide for work experience under direct staff supervision.  | 2/8/85: Complied |
| 17. | ACA Standard 2-4288--Inmates cannot be used for the following duties:<br>a. performing direct patient care services;<br>b. determining access of other inmates to health care services;<br>c. handling or having access to surgical instruments, needles, syringes, medications, health records, and operating equipment for which they are not trained.  | 2/8/85: Complied |
| 18. | ACA Standard 2-4289--Policy provides for medical screening to be performed by health trained specialists on all inmates upon the inmates arrival at the facility. The screening should include an inquiry into current illnesses and health problems, dental problems, the inmates' use of alcohol and drugs, the inmates' past and present treatment/hospitalization, observation of behavior, movements, appearance, condition of skin and, finally, the disposition of the inmate into the general population or health care services. | 2/8/85: Complied |
| 19. | ACA Standard 2-4290--Policy requires medical screening to be performed on intra-system transfers. The screening should include an inquiry as to whether the inmate is being treated for any medical/dental problems; whether the inmate is on any medication; whether the inmate has a current medical complaint; the general appearance of the inmate; and the appropriate referral of the inmate to health care services or to the general population.  | 2/8/85: Complied |
| 20. | ACA Standard 2-4291--Policy requires that a health appraisal is completed within 14 days after the arrival of the inmate at the facility (provided that no health appraisal was conducted within the past 90  |                  |

days) and the health appraisal should include the following:

- a. a review of earlier screenings;
- b. collection of additional data to complete medical records.;
- c. laboratory/diagnostic tests for communicable diseases;
- d. recording of height/weight, etc. ;
- e. review of results from medical exams;
- f. initiation of therapy, if needed, or the implementation of a treatment plan for inmates in need.

2/8/85: Complied

21. ACA Standard 2-4292--Policy for the collection and recording of health appraisal data calls for these requirements: The process is completed in a uniform manner; health history and vital signs are taken by trained and qualified staff; and the collection of other health data is performed only by qualified staff.

2/8/85: Complied

22. ACA Standard 2-4293--Policy provides for mental health evaluations to be performed on specially referred inmates by a multidisciplinary mental health team. The evaluation should be completed within 14 days after the date of referral: Review of the mental health screening, collection and review of additional data from staff observation, inmate interviews, etc., compilation of individuals mental health history, development of an overall treatment and management plan with appropriate referral.

2/8/85: Complied

23. ACA Standard 2-4294--Policy provides for all activities to be carried out by mental health service personnel.

2/8/85: Complied

24. ACA Standard 2-4295--Policy provides that routine and emergency dental care is provided to each inmate under the direction of a qualified dentist. The treatment plan will include the following: dental screening, dental examinations, a charting system which identifies the oral health condition and specifies the priorities of treatment by category and consultation with referral to recognized specialists in dentistry.

2/8/85: Complied

25. ACA Standard 2-4296--Severely disturbed inmates or mentally retarded inmates will

be placed in either appropriate non-correctional facilities or in specially designated units.	2/8/85: Complied
26. ACA Standard 2-4297--Transfers which result in inmates being placed in non-correctional facilities or specially designated areas of an institution follow due process procedures prior to moving the inmates.	2/8/85: Complied
27. ACA Standard 2-4298--Policy requires that except in emergency situations there will be joint consultation between the warden and the physician prior to taking action regarding mentally ill or retarded patients.	2/8/85: Complied
28. ACA Standard 2-4299--Policy requires the continuity of care from admission to discharge from the facility.	2/8/85: Complied
29. ACA Standard 2-4300--Policy provides for speedy access to health care and for a system for processing complaints. Such policies are communicated orally and in writing to the staff.	2/8/85: Complied
30. ACA Standard 2-4301--Sick call is available to inmates as follows: a. in facilities less than 100, sick call is held at least one day/week; b. in facilities housing 100-300, sick call is held three times/week; c. in facilities of over 300, sick call is held at least four times/week; d. inmates in segregation will have sick call provided for them in the place of their detention; and, e. all sick call will be performed by a physician or qualified health care staff.	2/8/85: Complied
31. ACA Standard 2-4302--Policy specifies the conditions for periodic examinations for inmates.	2/8/85: Complied
32. ACA Standard 2-4303--Policy provides that a program of health education is provided to inmates.	2/8/85: Complied
33. ACA Standard 2-4304--Policy provides for a special health program for inmates re-	

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| quiring close medical supervision. A written, individualized treatment plan is prepared for each of these inmates by the appropriate physician.  | 2/8/85: Complied |
| 34. ACA Standard 2-4305--Policy provides for chronic and convalescent care for inmates.  | 2/8/85: Complied |
| 35. ACA Standard 2-4306--Policy provides for a gradual detoxification process for inmates as follows:<br>a. when performed at the facility, it is under medical supervision;<br>b. when it is not performed in the facility, arrangements are made for it to be conducted in a hospital or community detoxification center.  | 2/8/85: Complied |
| 36. ACA Standard 2-4307--Policy guides the clinical management of chemically dependent inmates with the following requirements:<br>a. diagnosis of chemical dependency by a physician;<br>b. determination by a physician as to whether an inmate requires pharmacological care;<br>c. individualized treatment plans that are developed and implemented by a multidisciplinary team; and,<br>d. referral to specified community resources upon release. | 2/8/85: Complied |
| 37. ACA Standard 2-4308--Medical, dental and orthodontic devices are provided inmates when the health of the inmate would be adversely affected.   | 2/8/85: Complied |
| 38. ACA Standard 2-4309--Policy governs the use of elective surgery.   | 2/8/85: Complied |
| 39. ACA Standard 2-4310--Inmates who need health care beyond the resources of the facility are transferred under appropriate security provisions.  | 2/8/85: Complied |
| 40. ACA Standard 2-4311--Prior to an inmates' transfer to another facility, the inmates or their records will be evaluated by health care specialists to assess suitability for travel. If approved, the transportation staff will be given written documentation as to what needs to be done with the inmate during travel, i.e., what  |                  |



medication should the inmate take at what time, etc.

2/8/85: Complied

41. ACA Standard 2-4312--Policy governs the use of restraints for medical and psychiatric purposes.

2/8/85: Complied

42. ACA Standard 2-4313--Policy provides that all informed consent standards in the jurisdiction are observed and documented for inmate care.

2/8/85: Complied

43. ACA Standard 2-4314--Policy prohibits the use of inmates for medical, pharmaceutical or cosmetic experiments.

2/8/85: Complied

44. ACA Standard 2-4315--Policy specifies the procedure to follow by which individuals so designated by the inmate are notified in case of serious illness or injury.

2/8/85: Complied

45. ACA Standard 4316--Policy specifies the procedure to follow in the case of an inmate's death.

2/8/85: Complied

46. ACA Standard 2-4317--Policy provides for the proper management of pharmaceuticals and addresses the following subjects:

- a. a formulary specifically developed for the facility;
- b. Prescription practices which require (a) psychotropic drugs are prescribed when clinically indicated as one facet of a program of therapy; (b) "stop order" time periods are required for all medications; or (c) the prescribing provider re-evaluates a prescription prior to its renewal;
- c. procedures for medication receipt, storage, dispensing and administration or distribution;
- d. Maximum security storage;
- e. dispensing of medications in conformance with state/federal law;
- f. administration of medicine by individuals properly trained; and,
- g. accountability for administering or distributing medications in a timely manner.

2/8/85: Complied

47. ACA Standard 2-4318--The inmates health record contains the following:

- a. screening form;
- b. health appraisal data forms;

- c. all findings, dispositions and treatments;
- d. prescribed medication;
- e. laboratory x-ray and diagnostic studies;
- f. signature and title of documentor;
- g. consent and refusal forms;
- h. release of information forms;
- i. place, date and time of health encounters;
- j. health service reports;
- k. treatment plans;
- l. progress notes;
- m. discharge summary of hospitalization; etc.

2/8/85: Complied

48. ACA Standard 2-4319--Policy upholds the principle of confidentiality of health records and supports these requirements:
- a. an active health record is maintained separately from confinement records;
  - b. access to the health record is controlled by the health authority;
  - c. the health authority shares with the the warden information regarding the inmate's medical record.

2/8/85: Complied

49. ACA Standard 4320--Policy regarding the transfer of health records requires:
- a. that summaries, originals or copies of of the health record accompany the inmate to the facility;
  - b. that the record information is also transmitted to specific and designated physicians or medical facilities in the community upon written authorization of the inmate.

2/8/85: Complied

50. ACA Standard 2-4321--Policy requires that inactive health record files are retained as permanent records in compliance with legal standards.

2/8/85: Complied

51. ACA Standard 2-4322--Psychotropic drugs are prescribed only by a physician or authorized health provider by agreement with the physician and are administered under the direction of the health authority.

2/8/85: Complied

52. At least one correctional officer per shift will be trained in CPR and emergency medical procedures.

2/8/85: Complied

53.	Contract with an agreed upon medical consultant(s) to conduct a study which would review the SCDCs' delivery of health and mental health services.	4/8/85: Complied	13
54.	Submit a plan for implementing the recommendations of the health and mental health consultants.	7/1/85: Complied	14
55.	Begin implementation of recommendations made by health care consultants (above).	7/1/85: Complied	16
56.	Ensure that the appropriate medical equipment is available at all institutions as recommended by the consultants in the health care study (above).	7/1/85: Complied	16
57.	The refusal of health evaluation or health services by any inmate shall not by the subject of discipline or punishment or result in the confinement in segregation if the medical problem is that of a non-life threatening or non-contagious disease.	unspecified: Complied	Issues 57-60 are con- tained in the Sixth Quart- erly Report on Comp- liance
58.	Notice will be provided to inmates at the time of their admission and in posted notices in the institution that all inmates will have access to over-the-counter non-prescription medication during non-sick call hours on weekends and in the evening.	2/8/85: Complied	
59.	Hygeine supplies will be provided to inmates housed in Special Learning Units and to all inmates that the Warden determines to require such supplies due to special circumstances.	2/8/85: Complied	
60.	Each institution will develop a plan for emergency medical treatment.	after 7/1/85: Complied	
Pre-Release and Work Release ACA Standards (Health Care)			
61.	ACA Standard 2-2120--The facility has a written agreement with a licensed general hospital, clinic or physician to provide routine medical services.	2/8/85: Complied	Issues 61-75 are con- tained in the
62.	ACA Standard 2-2121--The faciltiy has a		

	written agreement with a licensed hospital, clinic or physician to provide 24-hour emergency medical care.	2/8/85: Complied	"First Quar- terly Report"
63.	ACA Standard 2-2122--The facility provides access to dental care and mental health care.	2/8/85: Complied	
64.	ACA Standard 2-2123--State licensing and certification requirements apply to health care personnel working in the facility.	2/8/85: Complied	
65.	ACA Standard 2-2124--At least one staff member on each shift is trained in emergency medical care.	2/8/85: Complied	
66.	ACA Standard 2-2125--The facility has a written emergency medical back-up plan which is communicated to all employees and inmates.	2/8/85: Complied	
67.	ACA Standard 2-2126--The facility has available at all times first aid equipment approved by a recognized health authority.	2/8/85: Complied	
68.	ACA Standard 2-2127--Policy provides that the facility implements an inventory system of first aid supplies and equipment and continuously replenishes it.	2/8/85: Complied	
69.	ACA Standard 2-2128--Each newly admitted inmate undergoes a medical exam within 14 days of admission unless there is documentation that the resident has had an exam within three months prior to admission.	2/8/85: Complied	
70.	ACA Standard 2-2129--At the time of an inmate's admission, staff inquires as to any physical problems which may require medical attention.	2/8/85: Complied	
71.	ACA Standard 2-2130--Policy provides for a medical exam for any inmate or employee suspected of having a communicable disease	2/8/85: Complied	
72.	ACA Standard 2-2131--Where a urine surveillance program is in effect, there is written policy for the collection of samples and interpretation of results.	2/8/85: Complied	
73.	ACA Standard 2-2132--Written policy regarding the possession and use of controlled		



substances, prescribed medications and over-the-counter drugs is available at all facilities. Prescribed medication can only be administered according to directions of a physician.

2/8/85: Complied

74. ACA Standard 2-2133--There is a policy which specifies that records of all medications distributed by the facility staff are maintained and audited monthly and include the date, time and name of the resident receiving medication and the name of the staff distributing it.

2/8/85: Complied

75. ACA Standard 2-2134--Policy provides for the prompt notification of an inmate's next of kin in case of serious injury, accident or death. Any death is reported to the proper officials.

2/8/85: Complied

#### Category VI: Programs

1. General population inmate will be afforded the opportunity to receive 5 hours/day, 5 days/week, of "meaningful programs."

2/8/85: Complied 18

2. The present level of educational courses offered at SCDC institutions will remain the same.

2/8/85: Complied 18

3. General population inmates will be provided with the opportunity to participate in educational programs at least two evenings per week.

2/8/85: Complied 18

4. All inmates will be assigned to programs on an equitable basis.

2/8/85: Complied 18

5. Inmates assigned to administrative segregation will receive at least five hours of outdoor exercise per week.

2/8/85: Complied 19

6. A plan will be created to provide inmates housed in protective custody longer than 90 days with meaningful programs 5 hours a day, 5 days a week.

7/8/85: Complied 19

7. An effort will be made to provide earned work credit for inmates taking educational and vocational courses.

2/8/85: Complied 20

## Category VII: Libraries

- |   |                          |    |
|---|--------------------------|----|
| 1. Generally, inmates will have access, or comparable access to libraries regardless of their classification or housing assignment.   | 2/8/85: Complied         | 21 |
| 2. Libraries will be open at all institutions five days per week and at least two evenings per week for a total of 37 1/2 hours a week.   | 2/8/85: Complied         | 23 |
| 3. Inmate access to the law libraries will comply with the requirements set forth in "Bounds v. Smith."   | 7/8/85: Complied         | 24 |
| 4. Inmates may obtain a pass to use the library during work and program hours provided they can show a court deadline.  | 2/8/85: Complied         | 24 |
| 5. There will be no loss of bonus pay because of a court proceeding provided that his/her absence does not exceed seven calendar days.  | unspecified:<br>Complied | 25 |
| 6. All institutional and departmental policies and procedures will be made available to inmates in institutional libraries with the exception of those policies dealing with security and emergency procedures. | 4/8/85: Complied         | 25 |

## Category VIII: Classification

- |  |                  |    |
|--|------------------|----|
| 1. A classification plan for separating violent and non-violent offenders will be developed.                           | 1/8/86: Complied | 26 |
| 2. A classification plan will be developed for double-celling assignments for inmates                                  | 1/8/86: Complied | 27 |
| 3. An overall classification plan will be developed for the initial, re-, and internal classification of inmates.      | 1/8/86: Complied | 27 |
| 4. The current classification plan will be modified with regard to such items as classification status, inmate appeals |                  |    |

regarding classification status and re-views of inmates classification status.

2/8/85: Complied 28

Category IX: Visitation

1. Contact visitation will be phased in at PCI, KCI, MSC, DCI and CACI.

1/8/86: Complied 29

2. Contact will be allowed at all other institutions.

2/8/85: Complied 29

3. All inmates will be provided with an equal opportunity for contact visitation, except that administrative segregation inmates may receive at least 2 monthly visits up to two hours in length and inmates in protective custody can receive up to four monthly visits up to two hours in length.

2/8/85: Complied 29

Category X: Physical Restraints

1. Generally, inmates in protective custody or the general population may not be physically restrained while inside the institution unless determined to be a substantiated security risk (SSR).

2/8/85: Complied 30

2. Generally, inmates not in the general population or protective custody can be physically restrained using handcuffs while inside the institution unless determined to be a SSR.

2/8/85: Complied 30

3. Ankle shackles, belt cuffs and handcuffs can be used when transporting inmates but will be removed once the inmate is inside his/her destination, and no beltcuffs shall be kept on an inmate unless such destination is a non-secure area or there has been a written determination that the inmate is a SSR. NOTE: This provision does not apply to "AA" inmates unless they have been determined to be a SSR.

2/8/85: Complied 30

4. An appeal route will be established for inmates who have been determined to be a substantiated security risk.

2/8/85: Complied 31

- |  |                  |    |
|--|------------------|----|
| 5. Temporary handcuffs can be used on inmates under special circumstances for up to one hour (special conditions: fighting or when there is a present threat of violent or physically disruptive behavior).  | 2/8/85: Complied | 31 |
| 6. Four point restraints can be used on inmates under special conditions upon the approval of a physician. The use of such restraints longer than four hours must be approved by the chief physician. In either case, 15 minute logged observations of the inmate will be made when the inmate is restrained in this manner. | 2/8/85: Complied | 31 |

Category XI: Fire Safety

- |  |                  |    |
|--|------------------|----|
| 1. Submit a plan for meeting the fire safety standards of the NFPA and the ACA.    | 1/8/86: Complied | 32 |
| 2. All smoke detectors and fire alarms will be on contract.                        | 1/8/86: Complied | 32 |
| 3. All gang door releases, emergency exits and escape ladders will be on contract. | 1/8/87: N/A      | 32 |
| 4. Sprinkler and/or smoke evacuation systems will be on contract.                  | 1/8/90: N/A      | 32 |

Category XII: Construction

- |  |                                  |    |
|--|----------------------------------|----|
| 1. Renovations will be made on CCI Guards' Quarters and will be on schedule.     | 8/1/85: Complied                 | 33 |
| 2. Renovations at the CCI Stoney Building will be completed.                     | 8/1/85: Complied<br>on 12/16/85  | 33 |
| 3. Renovations on the MCI Cell Block will be completed.                          | 12/30/85: Complied<br>on 1/29/86 | 33 |
| 4. Renovations will be made at DCI to change it into a medium security facility. | 10/30/87: N/A                    | 33 |
| 5. WCC Dorm will be completed.   | 12/31/86: N/A                    | 33 |
| 6. MSC will not be used as a maximum security center.                            | 1/8/86: Complied                 | 33 |
| 7. Lieber will be constructed.   | 7/1/86: Complied                 | 33 |



8. McCormick Institution will be constructed.	10/3/87: N/A	34
9. New Midlands R & E will be constructed.	10/3/87: N/A	34
10. The SCDC will make a good faith effort to close CCI.	unspecified	34

Category XIII: Sanitation and Hygiene

1. ACA Standard 2-4255--Weekly sanitation inspections will be conducted at each institution by a designated official; annual sanitation inspections will be conducted by a state/federal official; each institution will comply with the laws and regulations governing their jurisdiction with regard to sanitation; and, documentation will be made that all sanitation problems have been corrected.	3/8/85: Complied	34
2. ACA Standard 2-4256--A plan will be developed for the prompt implementation of having an outside source certify that all institutions' potable water supplies are in compliance with jurisdictional laws/regulations.	3/8/85: Complied	35
3. ACA Standard 2-4257--A written plan for every institutions housekeeping in all areas of the facility will be provided.	3/8/85: Complied	35
4. ACA Standard 2-4258--A plan for the implementation of vermin and pest control will be developed for every institution.	3/8/85: Complied	35
5. ACA Standard 2-4259--A plan for the implementation of a waste disposal system for every institution will be provided.	3/8/85: Complied	35
6. ACA Standard 2-4260--A plan for the implementation of a system of inmate clothing issue will be provided for every facility.	3/8/85: Complied	35
7. ACA Standard 2-4261--A plan for the implementation of a system for providing hygiene supplies to inmates in need will be provided at every institution.	3/8/85: Complied	36
8. ACA Standard 2-4262--A plan for the implementation of a system for providing inmates with special clothing will be pro-		

vided for every institution.	3/8/85: Complied	36
9. ACA Standard 2-4263--A plan for the implementation of procedures for issuing inmate bedding, pillows, linens, etc. will be provided for each institution.	3/8/85: Complied	36
10. ACA Standard 2-4264--A plan will be developed for the prompt implementation of a system specifying the accountability of state-issued clothing and bedding.	3/8/85: Complied	36
11. ACA Standard 2-4265--A plan will be developed for a system which provides for inmate clothing, linens, and bedding in excess of the population.	3/8/85: Complied	37
12. ACA Standard 2-4266-- A plan will be developed for the implementation of a system which provides for the cleaning and disinfecting of inmate's property before storage or before the inmate is allowed to keep such property.	3/8/85: Complied	37
13. ACA Standard 2-4267--A plan will be developed for the implementation of a system for cleaning clothes and linens at least three times per week or at least one time per week for inmates allowed seven sets of clothing.	3/8/85: Complied (AYCC complied in mid-March, 1986)	37
14. ACA Standard 2-4268--A plan will be developed for the implementation of a system which provides for sufficient bathing facilities in each housing unit so that inmates can bathe at least three times/week.	3/8/85: Complied	37
15. ACA Standard 2-4269--A plan will be developed for the implementation of a system which provides for thermostatically controlled showering facilities.	3/8/85: Complied	38
16. ACA Standard 2-4270--A plan will be developed for the implementation of a system that provides for hair care services to be made available to inmates.	3/8/85: Complied	38
Category XIV: Physical Plant		
1. ACA Standard 2-4130--A plan will be sub-		

<p>mitted for the implementation of the following requirements or the addition of the following items in all rooms and cells:</p> <ul style="list-style-type: none"> <li>a. access to a toilet and a wash basin with hot and cold running water;</li> <li>b. a bed, a chair or stool, a mirror, an appropriate writing surface (upon request) and storage facilities in the cell/room;</li> <li>c. natural light;</li> <li>f. lighting which is at least 20 footcandles at desk level and in the grooming areas;</li> <li>g. air circulation that is 10 cubic feet of outside or recirculated filtered air;</li> <li>h. temperatures which are appropriate to the season; and,</li> <li>i. reasonable noise levels.</li> </ul>	<p>8/8/85: Complied</p>	<p>38</p>
<p>2. ACA Standard 2-4131--A plan will be submitted that will provide for the implementation of the following requirements or the addition of the following items in all multiple occupancy wards.</p> <ul style="list-style-type: none"> <li>a. a minimum floor area of 45 sq.ft. of sleeping space per inmate;</li> <li>b. a floor to ceiling height of eight feet;</li> <li>c. one toilet and shower for every eight occupants;</li> <li>d. one wash basin for every six occupants</li> <li>e. a single bed for every inmate;</li> <li>f. access to a mirror, locker or private storage area;</li> <li>g. lighting at least 20 footcandles;</li> <li>h. natural light;</li> <li>i. circulation at least 10 cubic feet of fresh or recirculated filtered air;</li> <li>j. reasonable temperatures appropriate to the season;</li> <li>k. noise levels which are reasonable.</li> </ul>	<p>8/8/85: Complied</p>	<p>39</p>
<p>3. ACA Standard 2-4232--A plan will be submitted that will provide for the implementation of the following requirements or the addition of the following items in all minimum security areas:</p> <ul style="list-style-type: none"> <li>a. key control shared by the occupants and staff or continuous access to toilet and shower facilities and hot and cold running water;</li> <li>b. 45 sq. ft. of sleeping space per inmate;</li> </ul>		

c. furnishing as set forth in 2-4130 (above);		
d. natural light and lighting which is at least 20 footcandles at desk level and in the grooming areas;		
e. circulation that is at least ten cubic feet of recirculated filtered air or fresh air;		
f. reasonable temperatures appropriate to season;		
g. reasonable noise levels.	8/8/85: Complied	39

Category XV: Reception and Evaluation Centers

Midland's Reception and Evaluation Center	\\	
1. The inmate population at the MR&E Annex will comply with the capacity set forth in the Decree.	8/1/85: Complied	40
2. Inmates at the MR&E Center will not be triple celled.	8/1/85: Complied	40
3. The MR&E Center can be double celled.	8/1/85: Non-compliance during parts of this reporting period	41
4. No inmates can be housed longer than 14 days at the MR&E Center.	8/1/85: Non-compliance during this reporting period	41
5. YOA 5.b.'s can be single celled and can be housed longer than 14 days.	2/8/85: Complied	42
6. Inmates held longer than 14 days will receive visitation and recreation privileges	8/1/85: Complied	42
7. The MR&E Center will be closed.	1/8/88: N/A	42



Perry Reception and Evaluation Center		\\
1. Triple celling will end at the Perry R&E.	2/8/85: Complied	42
2. YOA 5.b.'s can be double celled and can be housed longer than 14 days.	2/8/85: Complied	42
3. Perry R&E can triple cell only 50 cells.	7/1/85 - 8/1/86: Complied	43
4. Perry R&E can be double celled.	8/1/86 - 7/1/87: Complied	43
5. Inmates can be housed no longer than 14 days at the Perry R&E.	Complied	43

Category XVI: Food Services

1. A plan will be provided for the provision of food services to inmates housed in segregation status.	7/8/85: Complied	43
2. All applicable SC DHEC Standards pertaining to food services will be complied with.	4/8/85: Complied	Issues 2-30 are con- tained in the Sixth Quart- erly Report
3. ACA Standards 2-4238--Documentation that the national recommended dietary allowance is reviewed by a registered dietitian on an annual basis will be provided and menu evaluations conducted on a quarterly basis to verify adherence to the basic daily servings.	4/8/85: Complied	
4. ACA Standard 2-4239--Food products grown/produced in the system are inspected/ approved by a government agency and there is a delivery system which ensures prompt delivery of such foodstuffs.	4/8/85: Complied	
5. ACA Standard 2-4240--Food service staff must develop advanced, planned menus and		

follow such menus as well.	4/8/85: Complied
6. ACA Standard 2-4241--Special diets will be provided to inmates because of dental or medical reasons.	4/8/85: Complied
7. ACA Standard 2-4242--A plan will be developed for the implementation of a system which would provide for special diets for inmates because of religious reasons.	7/8/85: Complied
8. ACA Standard 2-4242(Continued)--The plan listed above will be implemented.	1/8/86: Complied
9. ACA Standard 2-4243--A full-time staff member experienced in food service management will supervise food service operations.	4/8/85: Complied
10. ACA Standard 2-4244--Written policy will require: (1) that pre-assignment medical exams are conducted on all food service staff and periodic exams are conducted thereafter; (2) that outside food providers comply with state and local requirements regarding food service; and, (3) all food service workers will be required to wash their hands upon coming to work and after using the facilities.	4/8/85: Complied
11. ACA Standard 2-4245--Toilet and wash basin facilities are provided for all food service workers in an area which is in the vicinity of the food preparation area.	4/8/85: Complied
12. ACA Standard 2-4246--Documentation made by an independent outside source will show that all food service areas meet governmental health and safety codes.	4/8/85: Complied
13. ACA Standard 2-4247--There are sanitary, temperature controlled storage facilities for the storage of all foods, except non-refrigerated foods which will be kept pursuant to all applicable state standards.	4/8/85: Complied
14. ACA Standard 2-4248--Policy requires that: (1) weekly inspections of all food service areas meet governmental health and safety codes.	4/8/85: Complied
15. ACA Standard 2-4249--Policy provides that meals are served in a non-regimented manner.	4/8/85: Complied

- |   |                  |
|---|------------------|
| 16. ACA Standard 2-4250--Space is provided for group dining except when security and safety considerations deem otherwise.  | 4/8/85: Complied |
| 17. ACA Standard 2-4251--At least three meals are provided inmates: Two hot meals during a 24-hour period with no more than 14 hours between the evening and breakfast meal.  | 4/8/85: Complied |
| 18. ACA Standard 2-4252--Food cannot be used as a disciplinary measure.   | 4/8/85: Complied |
| 19. ACA Standard 2-4253--The food service operation uses budgeting, purchasing and accounting systems designed to determine the cost per meal per inmate; an estimation of food service requirements; the purchase of supplies at wholesale; a determination and responsiveness to inmate eating preferences; and, the refrigeration and storage of food. | 4/8/85: Complied |
| Pre-Release and Work Release ACA Standards<br>(Food Services)   |                  |
| 20. ACA Standard 2-2110--Where facilities contract for food services, the nutritional value of the food is annually approved.   | 4/8/85: Complied |
| 21. ACA Standard 2-2111--Outside food service contractors will comply with all state/local sanitation and health codes.   | 4/8/85: Complied |
| 22. ACA Standard 2-2112--For food service that is provided at the facility, food service staff will develop advanced planned menus and follow them.   | 4/8/85: Complied |
| 23. ACA Standard 2-2113--When food service is provided at the facility, the advanced planned menus are reviewed and approved by a registered dietitian or physician.  | 4/8/85: Complied |
| 24. ACA Standard 2-2114--There is a single menu for staff and clients at facilities where food service is provided.   | 4/8/85: Complied |
| 25. ACA Standard 2-2115--Special medical diets for inmates will be prepared at facilities which provide their own food service.   | 4/8/85: Complied |

26. ACA Standard 2-2116--A plan will be devised for providing special religious diets for inmates at facilities which provide their own food services.	7/8/85: Complied	
27. ACA Standard 2-2116 (Continued)--The plan stated above will be implemented.	1/8/86: Complied	
28. ACA Standard 2-2117--All state/local sanitation/health codes will be complied with in facilities which provide their own food service.	4/8/85: Complied	
29. ACA Standard 2-2118--Food will be properly stored at the completion of each meal at facilities which provide their own food service.	4/8/85: Complied	
30. ACA Standard 2-2119--Kitchen areas will be properly ventilated, furnished and cleaned at facilities which provide their own food service.	4/8/85: Complied	

Category XVII: Other Issues

1. A plan will be submitted for the provisions of personal property to inmates in segregation.	7/8/85: Complied	44
2. Chapter IV: INMATE GUIDE, will be rewritten pursuant to the changes noted in the Decree.	2/8/85: Complied	44
3. Minor modifications to the Inmate Grievance Procedure will be made pursuant to the requirements stated in the Decree and the Inmate Grievance Procedure will be published within the INMATE GUIDE.	2/8/85: Complied	44
4. Women housed at WCC will have the same disciplinary action used against them as males; will be allotted the same amount of movement, exercise, visitation and dress privileges as males; and, will have the same access and type of education, vocational, work assignment and pre-release opportunities as their male counterparts.	2/8/85: Complied	45

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# EXHIBIT

OCT 21 1986

NO. 5

STATE BUDGET AND CONTROL BOARD  
STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

BLUE AGENDA

ITEM NUMBER

5

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

- A. The following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:
- (1) On Summary 8-87: Items 4 through 7, and 9 (involving The Citadel, College of Charleston, Francis Marion, and Medical University).
- B. The following permanent improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:
- (1) On Summary 8-87: Items 14 through 24 (involving College of Charleston, USC-Columbia, TEC, DHEC, Criminal Justice Academy, Forestry and Wildlife & Marine Resources).

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Referenced summary extracts.

04195

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 1 of 8  
Forwarded to JBRC 10/03/86

Item Agency: H09 The Citadel Project: 9262, Chapel Sound System

CHE Approval Date: 09/22/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Action  
Proposed: Establish project.

Budget After Action Proposed  
Source Amount

Total budget.....\$ 30,000.00  
[9] Other, Gifts.....\$ 30,000.00

Other 30,000.00

Purpose: To provide adequate sound system (including the hearing impaired) for various activities held within the Chapel.

Ref: Supporting document pages 10-12.

TOTAL FUNDS 30,000.00

Item Agency: H15 College of Charleston Project: 8775, Science Center Roof Replace

CHE Approval Date: 09/30/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Action  
Proposed: Increase budget from \$ 30,000.00 to \$ 75,000.00

Budget After Action Proposed  
Source Amount

(Add \$ 45,000.00 [6] Appropriated State)

Appropriated State 75,000.00

Purpose: To revise scope. Due to intense heat this summer and followed by periods of heavy rain, the built-up tar roof has undergone severe damage. The roof is past repair and needs immediate replacement. Funds are to be transferred from project 8786 (refer to item 14).

Ref: Supporting document pages 13-17.

TOTAL FUNDS 75,000.00

Item Agency: H15 College of Charleston Project: 9173, Physicians Auditorium Roof Replace

CHE Approval Date: 09/30/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Action  
Proposed: Increase budget from \$ 30,000.00 to \$ 50,000.00

Budget After Action Proposed  
Source Amount

(Add \$ 20,000.00 [6] Appropriated State)

Appropriated State 50,000.00

Purpose: The A/E services for project were planned originally to be done in-house. It has been determined that additional structural roof drains need to be designed and installed down to the foundation drains. Therefore, this requires the services of a professional architect and is the reason for the increase. Funds to be transferred from project 8786 (refer to item 14).

Ref: Supporting document pages 18-21.

TOTAL FUNDS 50,000.00

04196

EXHIBIT  
OCT 21 1986  
NO. 5  
STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 2 of 8  
Forwarded to JBMC 10/03/86

Item Agency: H18 Francis Marion Project: 7040, Campus Development Phase IV

CHE Approval Date: 09/22/86  
Committee Review Date: \*  
BAC Board Approval Date: \*

Action

Proposed: Increase budget from \$ 2,186,482.76 to \$ 2,206,482.76

(Add \$ 20,000.00 [9] Other, Renovation Reserve)

Budget After Action Proposed

Source	Amount
Capital Improvement Bonds	920,173.60
Appropriated State	2,733.16
Other	1,283,576.00

Purpose: Increase is needed to complete project.

Ref: Supporting document pages 22-24.

TOTAL FUNDS 2,206,482.76

Item Agency: H51 Medical University Project: 9060, Student/Wellness Center

CHE Approval Date: 09/23/86  
Committee Review Date: \*  
BAC Board Approval Date: \*

Action

Proposed: Increase budget from \$ 8,500,000.00 to \$ 8,700,000.00

(Add \$ 200,000.00 [4] Excess Debt Service)

Budget After Action Proposed

Source	Amount
Capital Improvement Bonds	8,500,000.00
Excess Debt Service	200,000.00

Purpose: This revision would enable MUSC to begin the design development phase of project in anticipation of future draws of Capital Improvement Bond funds.

Ref: Supporting document pages 30-33.

TOTAL FUNDS 8,700,000.00

EXHIBIT  
OCT 21 1986 NO. 5  
STATE BUDGET & CONTROL BOARD

04197



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY B-87 Page 1 of 8  
Forwarded to JBRC 10/03/86

Item Agency: H15 College of Charleston Project: 8786, Deferred Maintenance

14.

Action

Proposed: Decrease budget from \$ 100,000.00 to \$ 35,000.00

(Subtract \$ 65,000.00 [6] Appropriated State)

Purpose: To transfer needed funds to projects 8775 and 9173 (refer to items 5 and 6 above).

Ref: Supporting document pages 49-51.

CHE Approval Date: 09/30/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Budget After Action Proposed	
Source	Amount

Appropriated State	35,000.00
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TOTAL FUNDS	35,000.00
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Item Agency: H27 USC-Columbia Project: 8137, Modification to Athletic Facilities

15.

Action

Proposed: Decrease budget from \$ 110,000.00 to \$ 53,813.10

(Subtract \$ 56,186.90 [8] Athletic)

Purpose: To close completed project.

Ref: Supporting document pages 52-54.

CHE Approval Date: 06/02/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Budget After Action Proposed	
Source	Amount

Athletic	53,813.10
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TOTAL FUNDS	53,813.10
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Item Agency: H59 Tech & Comp Education Project: 8427, Midlands-Harbison Sewer System

16.

Action

Proposed: Decrease budget from \$ 55,000.00 to \$ 54,808.98

(Subtract \$ 191.02 [9] Other)

Purpose: To close completed projects.

Ref: Supporting document pages 55-58.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Budget After Action Proposed	
Source	Amount

Other	54,808.98
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TOTAL FUNDS	54,808.98
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04198

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 2 of 8  
Forwarded to JBRC 10/03/86

Item Agency: H59 Tech & Comp Education Project: 8434, Piedmont-Adm Bldg Shop Expan Phase II  
17.

Action  
Proposed: Decrease budget from \$ 239,439.00 to \$ 225,256.82

(Subtract \$ 14,182.18 [9] Other, Local)

Purpose: To close completed project.

Ref: Supporting document pages 59-60.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Budget After Action Proposed	
Source	Amount
Other	225,256.82

TOTAL FUNDS 225,256.82

Item Agency: H59 Tech & Comp Education Project: 8436, Piedmont-Adm Bldg & CEP Chiller  
18.

Action  
Proposed: Close project.

Purpose: To close completed project.

Ref: Supporting document pages 61-62.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Budget After Action Proposed	
Source	Amount
Federal	82,280.00
Other	149,656.61

TOTAL FUNDS 231,936.61

Item Agency: J04 Health & Environ Control Project: 8827, Camp Burnt Gin Pool  
19.

Action  
Proposed: Decrease budget from \$ 81,500.00 to \$ 75,832.25

(Subtract \$ 189.00 [6] Appropriated State)  
(Subtract \$ 5,478.75 [9] Other)

Purpose: To close completed project.

Ref: Supporting document pages 63-65.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/26/86

Budget After Action Proposed	
Source	Amount
Appropriated State	5,811.00
Federal	50,000.00
Other	20,021.25

TOTAL FUNDS 75,832.25

04199

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 3 of 8  
Forwarded to JBRC 10/03/86

Item Agency: N20 Criminal Justice Academy Project: 8250, Classroom/Office Bldg  
20.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Action

Proposed: Decrease budget from \$ 77,382.28 to \$ 77,237.34

Budget After Action Proposed  
Source Amount

(Subtract \$ 144.94 [9] Other, Fines & Forfeitures)

Other 77,237.34

Purpose: To close completed project.

Ref: Supporting document pages 66-67.

TOTAL FUNDS 77,237.34

Item Agency: N20 Criminal Justice Academy Project: 8550, Adm Area Preventive Maintenance  
21.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Action

Proposed: Increase budget from \$ 129,050.00 to \$ 129,194.94

Budget After Action Proposed  
Source Amount

(Add \$ 144.94 [9] Other, Fines & Forfeitures)

Other 129,194.94

Purpose: Increase needed toward completion of project. Funds are transferred from closed project 8250.

Ref: Supporting document pages 68-69.

TOTAL FUNDS 129,194.94

Item Agency: P12 Forestry Commission Project: 8034, Walterboro Office/Shop  
22.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/30/86

Action

Proposed: Decrease budget from \$ 408,424.27 to \$ 408,424.06

Budget After Action Proposed  
Source Amount

(Subtract \$ .21 [0] Capital Improvement Bonds)

Capital Improvement Bonds 366,399.79  
Appropriated State 42,000.00  
Other 24.27

Purpose: To close completed project.

Ref: Supporting document pages 70-72.

TOTAL FUNDS 408,424.06

EXHIBIT  
OCT 21 1986  
NO. 5  
STATE BUDGET & CONTROL BOARD

04200

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 4 of 8  
Forwarded to JBRC 10/03/86

Item Agency: P24 Wildlife & Marine Res Project: 9010, Colleton Co-Old Cheraw River Boat Ramp  
23.

Action  
Proposed: Decrease budget from \$ 40,654.00 to \$ 39,580.00

(Subtract \$ 1,065.00 [9] Other, Colleton Water Rec Res Fund)

Purpose: To close completed project.

Ref: Supporting document pages 73-74.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/24/86

Budget After Action Proposed	
Source	Amount
Other	39,580.00

TOTAL FUNDS 39,580.00

Item Agency: P24 Wildlife & Marine Res Project: 9263, Lexington Co-Bush River Boat Ramp  
24.

Action  
Proposed: Establish project.

Total budget.....\$ 25,000.00  
[9] Other, Lex Co Water Rec Res Fund.....\$ 25,000.00

Purpose: To remove old deteriorated concrete boat ramp by replacing with new concrete boat ramp and improving parking area.

Ref: Supporting document pages 75-77.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 09/24/86

Budget After Action Proposed	
Source	Amount
Other	25,000.00

TOTAL FUNDS 25,000.00

04201



# EXHIBIT

OCT 21 1986 NO. 6

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD AGENDA  
MEETING OF October 21, 1986 ITEM NUMBER

6

AGENCY: Executive Director

SUBJECT: 1986 Agency Directors Conference

Attached is an invitation to and an agenda for the 1986 Agency Directors Conference to be held December 9-12 at Hilton Head Island.

BOARD ACTION REQUESTED:

Receive as information an invitation to and an agenda for the 1986 Agency Directors Conference to be held December 9-12 at Hilton Head Island.

ATTACHMENTS:

Coles October 9 memo to Board

04202

State of South Carolina  
State Budget and Control Board

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



Box 12444  
Columbia  
29211

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


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

MEMORANDUM

EXHIBIT

OCT 21 1986 NO. 6

STATE BUDGET & CONTROL BOARD

TO: Budget and Control Board Members  
FROM: Jesse A. Coles, Jr.   
SUBJECT: 1986 Agency Directors Conference  
DATE: October 9, 1986

The 1986 Agency Directors Conference will be held  
December 9 - 12 at the Mariner's Inn on Hilton Head Island.

The Conference this year will examine the area of 'Change  
Management' and in that light follow up on the issues raised at the 1985  
Conference.

The program will be highlighted this year by presentations by  
several national and state leaders and will wind up with a discussion  
session with you and the other members of the Budget and Control Board.

On behalf of the members of the Planning Committee, I would  
extend to you a very strong and enthusiastic invitation to attend. I  
have attached an agenda, registration form, and hotel information for  
your convenience.

I look forward to seeing you in December.

JACj/ap

Attachments

04203

# EXHIBIT

OCT 21 1986

NO. 6

## AGENDA

STATE BUDGET & CONTROL BOARD

### AGENCY DIRECTORS CONFERENCE

December 9-12, 1986  
Mariner's Inn  
Hilton Head Island, South Carolina

#### Tuesday, December 9

3:00 - 6:00 p.m.	Registration
6:00 - 7:00 p.m.	Reception

#### Wednesday, December 10

8:30 - 3:00 p.m.	Registration
8:30 - 9:00 a.m.	Continental Breakfast
9:00 - 9:30 a.m.	<u>Conference Overview</u>
	Dr. Jesse A. Coles, Jr. Executive Director Budget and Control Board

9:30 - 10:15 a.m.	<u>Planning For Change:</u> "What to Expect"
-------------------	---

#### Introduction of Speaker:

J. Mac Holladay  
Director  
State Development Board

#### Speaker:

The Honorable William F. Winter  
Chairman  
Commission on the Future of the South

10:15 - 10:30 a.m.	BREAK
--------------------	-------

04204

Agenda, Agency Directors Conference  
Page 2

Wednesday, December 10, continued

10:30 - 12:00 p.m.

Planning For Change:

"Change Management"

Introduction of Speakers:

Elliott E. Franks, III  
Director  
JOBS Economic Development Authority

Speakers:

Frederick G. Harmon  
Chairman  
Presidents Association  
American Management Association

David H. Pingree  
Vice President  
Government Line Business  
Burroughs Corporation

12:00 - 1:30 p.m.

LUNCH

1:30 - 1:45 p.m.

Planning for Change:

Small Group Orientation:  
General Administrative Issues

Dr. Robert S. Jackson  
Commissioner  
Department of Health and Environmental  
Control

1:45 - 3:15 p.m.

Small Group Sessions

3:15 - 3:30 p.m.

BREAK

04205



Agenda, Agency Directors Conference  
Page 3

Wednesday, December 10, continued

3:30 - 3:45 p.m.	<u>Planning For Change:</u>  Small Group Orientation: Human Resource Issues  Scott S. Sanders Executive Director S.C. Arts Commission
3:45 - 5:15 p.m.	Small Group Sessions
6:00 p.m.	Reception

Thursday, December 11

8:30 - 3:00 p.m.	Registration
8:30 - 9:00 a.m.	Continental Breakfast
9:00 - 10:00 a.m.	<u>Dealing with Change:</u>  "A Private Sector Perspective"  Introduction of Speaker:  William T. Putnam Office of the Governor  Speaker:  John P. Imlay, Jr. Chairman and Chief Executive Officer MSA Inc.
10:00 - 10:15 a.m.	BREAK

04206

# EXHIBIT

OCT 21 1986 NO. 6

Agenda, Agency Directors Conference  
Page 4

STATE BUDGET & CONTROL BOARD

Thursday, December 11, continued

10:15 - 11:45 p.m.

Dealing With Change:

"A Legislative Perspective"  
Introduction of Speaker:

William D. Leeke  
Commissioner  
Department of Corrections

Speakers:

Rep. Robert J. Sheheen  
Speaker  
S.C. House of Representatives

Senator John C. Lindsay  
S.C. Senate

12:00 - 1:00 p.m.

LUNCH

1:00 - 1:15 p.m.

Dealing With Change:

Small Group Orientation:  
Fiscal Resource Issues

Betty E. Callahan  
Director  
State Library

1:15 - 2:45 p.m.

Small Group Sessions

3:00 - 8:00 p.m.

Depart Hotel for Daufuskie Island  
Tour, Reception and Dinner

Friday, December 12

8:30 - 9:00 a.m.

Continental Breakfast

9:00 - 12:00 p.m.

Budget and Control Board Session:

Governor Richard W. Riley, Presiding

04207

# EXHIBIT

OCT 21 1986 NO. 7

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Williams-Brice Stadium Insurance Coverage

The Insurance Reserve Fund advises that it intends to conduct an independent engineering inspection of the Stadium in response to numerous expressions of concern from reinsurers, students and the general public following the publicized movement of the East Deck during the Nebraska game.

The Fund notes that it insures the Stadium for \$57,888,000 and provides USC with tort liability insurance with a limit of \$1,000,000 per occurrence.

BOARD ACTION REQUESTED:

Receive as information the report that the Insurance Reserve Fund plans to conduct an independent engineering inspection of Williams-Brice Stadium.

ATTACHMENTS:

Bennett October 9 letter to Rinker

04208

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF GENERAL SERVICES

P.O. BOX 11066  
1122 LADY STREET, SUITE 600  
COLUMBIA, S.C. 29211  
(803) 758-3543



RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

JAMES E. BENNETT, CPCU  
ASSISTANT DIVISION DIRECTOR

RECEIVED

OCT 13 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

MEMBER OF SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

EXHIBIT

OCT 21 1986 NO. 7

STATE BUDGET & CONTROL BOARD

October 9, 1986

*Reinker*

Mr. David P. Reinker  
Vice President of Physical Facilities  
University of South Carolina  
Columbia, S.C. 29208

RE: Williams-Brice Stadium

Dear Mr. Reinker:

The Insurance Reserve Fund insures Williams-Brice Stadium for \$ 57,888,000 and provides the University with Tort Liability Insurance with a limit of liability of \$ 1,000,000 per occurrence.

Following the highly publicized movement of the East Deck, we have received numerous expressions of concern from our property and liability reinsurers (who will participate in any catastrophic loss), USC students, and members of the public. In addition to the allegations of movements in excess of a foot, it has been reported to us that while service vehicles are allowed to use the access ramps of the West Deck, service vehicles are not allowed to operate on the access ramps to the East Deck. Students are not sitting in their assigned seats; many students who do not have assigned seats are occupying the student section, creating an over-load condition; and many of the students without seats congregate at the front or end of the East Deck aggravating the overload condition.

These reports may or may not be accurate, but they raise serious concerns, particularly as the Fund has nearly \$60 million at risk. Accordingly, we intend to conduct an independent engineering inspection of Williams-Brice Stadium. We will appreciate your assistance in this regard.

INSURANCE RESERVE FUNDS

PROFESSIONAL LIABILITY  
INSURANCE

LEGAL

SAFETY  
ENGINEERING

CLAIMS

MANAGEMENT INFORMATION  
SERVICES

CASUALTY  
INSURANCE

PROPERTY  
INSURANCE

04209



# EXHIBIT

OCT 21 1986 NO. 7

Mr. David P. Reinker  
Williams-Brice Stadium  
October 9, 1986  
Page 2

STATE BUDGET & CONTROL BOARD

In order to facilitate this inspection, please provide me with the following documents:

Plans for the East Deck

Specifications for the East Deck

The results of Soil Boring conducted before or during construction.

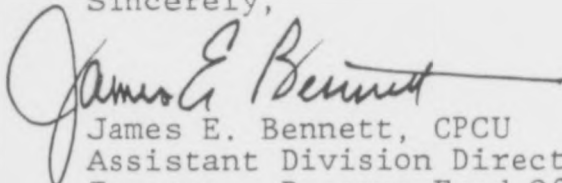
Any report or inspection which you or your staff have completed concerning the East Deck.

If, in fact, service vehicles are not allowed on the access ramps to the East Deck, the reasons for that regulation.

We would like to commence our inspection as soon as possible and would appreciate your immediate response.

If there are any questions in this regard, please do not hesitate to contact me. Thank You.

Sincerely,



James E. Bennett, CPCU  
Assistant Division Director  
Insurance Reserve Fund Officer

JEB/tnt

cc: John Trussell  
Frank Steinhardt  
Robert W. Denton  
Richard Wertz  
Rick Kelly  
Lynn Hensel  
Jesse Coles

04210

# EXHIBIT

OCT 21 1986

NO. 8

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION  
ITEM NUMBER

2

AGENCY: General Services

SUBJECT: Asbestos Abatement Task Force Report

In April, the Board charged the Division of General Services with the responsibility for developing a policy and procedure for asbestos abatement in State-owned buildings. An eleven-member task force comprised of officials representing different State agencies, with assistance from the Attorney General's Office and Davis and Floyd, Consulting Engineers, has prepared its first report.

The Task Force proposes:

- (1) to begin surveying State buildings following the strategy outlined in the October 13, 1986, report;
- (2) to use bond funds (from the \$8.2 million authorized in 1986) to cover the cost of this process (within amounts scheduled) and for the highest priority abatement projects;
- (3) that the \$10 million loan authorization (to be repaid to the Insurance Reserve Fund by agency borrowers unless the General Assembly provides the funds) be held in reserve for emergency situations; and
- (4) that a worker training program, coordinated through General Services, be approved.

BOARD ACTION REQUESTED:

Authorize (a) the Asbestos Abatement Task Force to survey State-owned buildings to identify those with asbestos; (b) the use of previously-authorized bond funds to cover costs associated with this identification process and for highest priority abatement projects; (c) the retention in reserve of the \$10,000,000 loan authorization for emergency abatement situations; and (d) a worker training program coordinated by General Services.

ATTACHMENTS:

Agenda item worksheet and attachment

04211

# BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly

2. Subject:

Asbestos Abatement Task Force Report

3. Summary Background Information:

In April of 1986, the Budget and Control Board charged the Division of General Services with responsibility for developing a policy and procedure regulating asbestos abatement in State owned buildings. An eleven (11) member task force comprised of officials representing different State agencies, along with assistance from the Attorney General's office and the firm of Davis and Floyd, Consulting Engineers, has prepared its first report which deals with the identification of asbestos, the funding of this project and the training of State employees who must work with it, and the funding of State employees who must work with asbestos.

## EXHIBIT

OCT 21 1986

NO. 8

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do? (1). Grant approval for the task force to begin surveying State owned buildings and to use the previously authorized bond funds to cover costs associated with this identification process. (2). The proposed funding plan, which will result in what projects will be recommended to the Board for ultimate funding approval, (3). To approve the worker training requirements to be coordinated through the Division of General Services

5. What is recommendation of the Board Division involved?

Approve request and report as submitted

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Oct. 13, 1986, Asbestos Abatement Task Force report to the Budget and Control Board
2. October 15, 1986, letter from Richard W. Kelly to Dr. Jesse A. Coles, Jr.

04212

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2140

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



RICHARD W. KELLY  
DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

EXHIBIT

October 15, 1986

OCT 21 1986 NO. 8

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.  
Executive Director  
Budget and Control Board  
Wade Hampton Building  
Columbia, S.C. 29201

Dear Jesse:

The Budget and Control Board requested in April, 1986, that the Division of General Services establish a Task Force composed of officials representing government agencies to formulate a Statewide Asbestos Abatement plan. The Task Force is being assisted by the Attorney General's office and the firm of Davis and Floyd, Construction Engineers. The first phase of the Task Force efforts focused on buildings being surveyed (prioritizing that survey), to establish procedures for the Task Force to use in recommending funding for this project to the Budget and Control Board, and establishing a worker training program.

Building Survey

Prior to conducting a building survey, it was necessary for the Task Force to develop a strategy that would lead to the identification of those buildings most likely to contain asbestos. The Task Force, therefore, developed a three phase survey strategy where the highest priority is given to buildings that meet the following criteria.

Constructed between 1965 and 1973;

Previously reported to contain asbestos;

Used as dormitory or housing unit.

04213



Also included among the factors used in screening and prioritizing buildings for a walk-through survey are:

Building size;  
Hours of occupancy;  
Age of building occupants.

## EXHIBIT

OCT 21 1986 NO. 8

STATE BUDGET & CONTROL BOARD

### Funding

The Task Force also addressed the question of prioritizing and funding abatement projects identified by the building survey. The Task Force recommends that the following factors be considered in ranking projects for abatement work:

Friable conditions observed by the specialist conducting the survey;  
Condition of asbestos-containing material;  
Percentage of asbestos fiber comprising material;  
Type of asbestos fiber;  
Building use(s);  
Hours of occupancy;  
Readiness for proceeding with abatement.

In preparation to solicit the participation of all agency directors in identifying abatement projects, the Task Force has already determined that the full cost of abatement could exceed \$100,000,000. Having access to only \$8.2 million in bond funds and another \$10.2 million in loan authorization, the Task Force recommends that the \$8.2 million be designated toward the survey and the highest priority abatement projects, and that the \$10 million be held in reserve for special (emergency) situations that warrant immediate action.

04214

# EXHIBIT

OCT 21 1986

NO. 8

## Training

## STATE BUDGET & CONTROL BOARD

In an effort to safeguard the public health, the Task Force recommends that all workers in the State of South Carolina that might be working with asbestos, meet the following training requirements:

All workers must successfully complete the appropriate training course given by the National Asbestos Council (or an equivalent course approved by DHEC);

All workers must successfully complete "hands-on" training in proper sampling and glove-bag removal techniques;

All supervisors must successfully complete the appropriate training course given by the Georgia Institute of Technology (or an equivalent course approved by DHEC);

All abatement workers and supervisors must become certified by the S.C. Department of Health and Environmental Control.

Further, the Task Force recommends that all agencies develop a centralized check point and procedures for alerting Operations and Maintenance (O&M) workers to the presence of asbestos in work areas, and that the State provide on-going training for its O & M workers and supervisors.

In brief, the Task Force has outlined (a) strategies needed to initiate a state government-wide building survey, (b) procedures for allocating the \$18.2 million in available funding, and (c) worker training requirements to safeguard the public health. In order to proceed as quickly and as safely as possible, the Task Force requests the Budget and Control Board's approval to implement the following recommendations, as outlined above and as described in detail in the October 13th Report to the Budget and Control Board:

Initiate the building survey as outlined;

Designate \$8.2 million in bond funds for surveying the highest priority projects;

04215

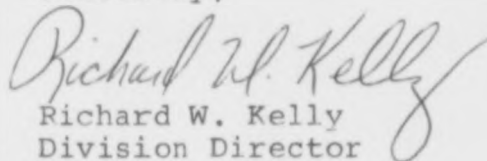
Designate \$10 million in loan authorization funds to be held in reserve for special situations that warrant immediate response actions;

Authorize the Task Force to prioritize and schedule abatement projects;

Authorize the Task Force to initiate a State sponsored training program for State employed O & M workers and supervisors;

Authorize the Task Force to continue to develop a long-term abatement plan, to include the identification of funding options.

Sincerely,

  
Richard W. Kelly  
Division Director

RWK:ab

EXHIBIT

OCT 21 1986 NO. 8

STATE BUDGET & CONTROL BOARD

04216

# EXHIBIT

OCT 21 1986 NO. 8

STATE BUDGET & CONTROL BOARD

Report of the  
Asbestos Abatement Task Force  
to the  
S.C. Budget and Control Board

submitted by:

Richard W. Kelly, Chairman  
Director  
Division of General Service  
S.C. Budget and Control Board  
300 Gervais Street  
Columbia, South Carolina 29201

October 13, 1986

04217



# EXHIBIT

OCT 21 1986 NO. 8

## INTRODUCTION

STATE BUDGET & CONTROL BOARD

In April, 1986 the S.C. Budget and Control Board charged the Division of General Services with the responsibility of developing policies and procedures regarding asbestos abatement in State-owned buildings. In response, the Division of General Services established an eleven-member Asbestos Abatement Task Force, composed of representatives from the Department of Health and Environmental Control, the Medical University of South Carolina, Clemson University, the University of South Carolina and the Division of General Services. The Office of the Attorney General was asked to provide legal assistance to the Task Force; and the firm of Davis and Floyd, Inc., Consulting Engineers, was asked to provide technical assistance to the Task Force.

The primary objectives of the Task Force focus on developing a broad range of plans dealing with the mitigation of health risks associated with the presence of asbestos in state-owned buildings.

During this initial phase of plan development, the Task Force addressed building survey methodology, allocation of financial resources, and abatement worker training requirements. Recommendations in the following four categories are presented to the Budget and Control Board for consideration and approval:

- \* Prioritizing buildings to be surveyed,
- \* Allocation of financial resources,
- \* Prioritizing and scheduling abatement projects, and
- \* Abatement worker training requirements.

# EXHIBIT

OCT 21 1986 NO. 8

## PROPOSED BUILDING SURVEY METHODOLOGY

STATE BUDGET & CONTROL BOARD

The initial phase of the asbestos survey of each individual building will include a thorough walk-through inspection of the building noting any material suspected of containing asbestos. A review of documents used during building construction (e.g., specifications and drawings) will be used to aid in the investigation but will not be used in lieu of a thorough on-site visual inspection. It often occurs that buildings were not constructed according to these documents; or that additions and modifications to these buildings have resulted in asbestos materials being added subsequent to the initial construction. Thus, the use of these documents as the sole source of investigation would not result in a complete nor accurate survey.

Material suspected of containing asbestos would be documented in written form and would be indicated on floor plans of the individual buildings. Samples of the suspect materials would then be collected for laboratory analysis.

For all areas determined to contain asbestos materials, the potential hazard for asbestos exposure would be evaluated and recommendations concerning remedial action would be made. Cost estimates for such remedial action would also be included as a part of the survey program.

### Phase I Survey

Phase I of the statewide asbestos survey program will concentrate on those buildings constructed between 1965 and 1973, and those buildings with reported sprayed-on material suspected

of containing asbestos materials. The period 1965 to 1973 has been selected since it appears that sprayed-on asbestos materials was used predominantly during this time frame.

Within this general category heading, priority will be given to those buildings serving as dormitories or housing units since the daily time of exposure for an individual is expected to be longer than in other types of buildings. Those dormitory and housing units with previously reported sprayed-on materials will be investigated first.

#### Phase II Survey

The Phase II Survey Program will include those buildings constructed during the period 1955 to 1965 plus all buildings with reported asbestos containing materials, including asbestos pipe and boiler insulation. Again, the time frame has been selected based on the potential for the use of asbestos containing materials. The first group of buildings that will be investigated during Phase II will be those buildings that have previously been reported to contain some type of asbestos.

#### Phase III Survey

The final phase of the survey will include all of those buildings not previously surveyed in Phases I and II. This will primarily consist of buildings constructed prior to 1955 in which asbestos has not been reported to be present. .

### Ranking Of Buildings For Survey

In order to focus our survey activities in the buildings with the highest probability of asbestos occurrence, a ranking system will be used. Based upon a review of written building data, each building will be assigned a numerical value reflecting the incidence and degree of applicable factors. Values for each factor will then be added, and the buildings with the highest composite values will be surveyed first.

The ranking factors are summarized as follows:

- \* Date of construction/dates of renovation. As noted previously, the use of asbestos containing materials was more prevalent during certain periods. Thus, buildings that were constructed or renovated during certain time periods will have a greater probability of containing asbestos.
- \* Size of building. This factor will serve two purposes. In most cases, the size of the building is proportional to the number of individuals that would be exposed to asbestos in a building. Thus, buildings with a greater number of individuals exposed would receive a higher ranking. Secondly, larger buildings would require more planning for abatement activities and early detection should allow for proper planning.
- \* Duration of exposure. The duration of exposure to asbestos materials is directly related to the possibility that an individual might be affected by the material. By using this criterion, buildings used as housing units would receive higher rankings.



- \* Reported suspect materials. If a building has already been reported to contain materials that are suspected of containing asbestos, then the presence of asbestos should be verified in these buildings. A higher ranking would be given to those buildings with sprayed- or troweled-on materials since, in most cases, the potential for exposure would be greater.
  
- \* Age of Building Occupants. Since the health effects associated with asbestos exposure do not manifest themselves for at least 20 years, younger building occupants are considered to be in a higher risk group than older individuals.
  
- \* Building or area uses. Buildings where occupants are confined for relatively long periods of time, and buildings which experience high volume traffic or in which walls and ceilings may experience a high degree of vibration, pose a greater risk of exposure to occupants if asbestos is present than do buildings experiencing less intensive uses.

Each building will be rated using the following point system:

1. Date of construction or dates of any renovation
 

a. 1965 - 1973	(5)
b. 1955 - 1965	(3)
c. All other periods	(1)
  
2. Size of building
 

a. 50,000 sq. ft. or more	(4)
b. 10,000-50,000 sq. ft.	(3)
c. 1,000-10,000 sq. ft.	(2)
d. 1,000 sq. ft. or less	(1)

3. Time of exposure in building

- a. 12 hours/day or more (5)
  - b. 4-12 hours/day (3)
  - c. 4 hours/day or less (1)
- 

4. Reported suspect materials in building

- a. sprayed on material (6)  
reported
  - b. pipe insulation reported (4)
  - c. none reported (1)
- 

5. Age of building occupants

- a. 18 and younger (5)
  - b. 18 to 50 (3)
  - c. 50 and older (1)
- 

6. Building or area uses

- a. dormitories, in- (5)  
firmaries, gym-  
nasiums
  - b. classrooms, offices (3)
  - c. other (1)
- 

TOTAL POINTS

---

The results of this survey program will be used to target those buildings or building areas that require remedial action, and to develop a comprehensive and timely plan for isolating asbestos materials from the work place in all State-owned buildings.

## Recommendations

- \* request Board approval to initiate building survey as outlined.

## PROPOSED FUNDING PLAN

One of the objectives of the Task Force was to design an equitable strategy and methodology for prioritizing and funding both emergency and non-emergency asbestos abatement activities. The Task Force recommends the adoption and implementation of the following policies and procedures:

### 1. Use of Financial Resources:

- a. Capital Improvement Bond Funds or other state resources created for the asbestos abatement program are to be allocated to the highest priority projects consistent with the priority criteria outlined in Item 2 below. Of the initial \$8.2 million authorized in the 1986 Capital Improvement Bond bill, at least \$200,000 should be reserved for planning during the six month period beginning January 1, 1987. Further, \$1 million should be designated for survey work during FY '86-'87.
- b. The Loan Authorization of \$10 million granted for the asbestos abatement program should be held in reserve for special situations that are judged by the Task Force to warrant immediate response actions. For the

purpose of allocating funds from this resource, it is understood that immediate response actions may be required when unusual conditions cause asbestos containing materials to become more friable creating conditions which may pose a health hazard and require building evacuation and the closing of a facility.

2. Considerations for Prioritizing Abatement Projects:

The establishment of abatement priorities will necessarily be based in great measure upon the findings and recommendations of the consultant engaged to complete a comprehensive survey of all state-owned buildings to determine the potential asbestos exposure. In addition, the Funding Subcommittee recommends that the following factors also be considered in the development of priorities:

- a. Nature of Asbestos Containing Material
  - 1) Condition of the material
  - 2) Percent of asbestos fiber in the material
  - 3) Type of asbestos fiber
- b. Use of the Space Where the Asbestos Exists - the age of the occupants, duration of occupancy in a twenty-four hour day and the number of days per week, and the nature of the activity taking place within the space are primary considerations.



- c. Readiness for Proceeding with Abatement - given relatively equal priority based upon the condition and use criteria, further consideration should be given to the readiness of plans and specifications for initiating and completing the abatement work.

3. Procedures for Recommending the Allocation of Resources:

- a. The Chairman of the Task Force shall solicit candidate asbestos abatement projects from all State agencies, conveying to agency administrators the approved policy and use of available financial resources, and the criteria for establishing funding priorities.
- b. Projects should be prioritized in accordance with the criteria approved by the Asbestos Abatement Task Force.
- c. The Chairman of the Asbestos Task Force shall recommend the projects prioritized by the Task Force to the Budget and Control Board. Approval by the Budget and Control Board will enable the State Architect/Engineer to establish a permanent improvement project and authorize the appropriate advertising and contracting for the abatement work.
- d. Based upon the findings of the state-wide survey, a master plan should be developed and funding needs identified, with particular attention being given to budgetary considerations for FY 1987-88.

### Recommendations

- \* request Board approval for the proposed use of financial resources.
- \* request Board approval for the proposed procedures recommending the allocation of financial resources.

### PROPOSED WORKER TRAINING REQUIREMENTS

Concerned about Operations and Maintenance (O&M) worker protection and the health of State building occupants, the Task Force proposes the following policies and standards:

1. In compliance with State Regulation R.61-86.1, all state employees involved in asbestos abatement activities must become certified by the S. C. Department of Health and Environmental Control.
2. In compliance with R.61-86.1, all state-employed O&M workers who might be required to encounter asbestos in their jobs must participate in the worker training course sponsored by the National Asbestos Council (or its equivalent) and receive a satisfactory score on the final examination. Such a course shall include, at a minimum, the following training:
  - \* recognition of asbestos containing materials in buildings;
  - \* health effects associated with asbestos containing materials;

- \* routine O&M procedures (e.g., inspections, systematic record keeping, notification & warning, use of isolation areas, procedures for reducing fiber concentrations);
  - \* emergency O&M procedures;
  - \* proper use of abatement equipment;
  - \* "hands-on" asbestos removal using the glove-bag technique;
  - \* proper material sampling procedures.
3. In compliance with R.61-86.1, all O&M staff supervisors must participate in the supervisor's training course sponsored by the Georgia Institute of Technology (or its equivalent), and receive a satisfactory score on the final examination. Such a course shall include, at a minimum, the following training:
- \* abatement contract specifications;
  - \* legal considerations and planning;
  - \* federal and state regulations;
  - \* worker protection and safety;
  - \* isolating the work area/minimizing air-borne fibers;
  - \* "hands-on" asbestos removal using the glove-bag technique;
  - \* proper material sampling procedures;
  - \* cleaning up the work area;
  - \* proper disposal procedures;
  - \* proper use of abatement equipment;
  - \* routine inspections, site condition evaluations, systematic record keeping;
  - \* options for abatement.

4. Samples of suspect asbestos-containing materials may be taken only by specially trained personnel, in accordance with the guidelines established by the testing laboratory which has been selected to perform the analysis, and consistent with the procedures established by the Task Force's Subcommittee on Legal Affairs.
5. All areas sampled for the presence of asbestos must be documented in such a way as to provide for a system that will alert O&M workers to the potential for exposure to asbestos, and to contact their supervisor for more specific information about how to proceed when working in this area.
6. The State must provide for on-going training of its O&M workers and supervisors to insure that the current staff is adequately trained. (State regulation R.61-86.1 requires annual recertification of all employees involved in asbestos abatement activities.)
7. In order to develop a cost proposal in regard to the training aspect of a planned statewide asbestos abatement program, each agency should submit to the Task Force a list of the names of the O&M workers and supervisors required to receive such training.



Recommendations

- \* request Board approval of state-wide worker training program.

EXHIBIT

OCT 21 1986 NO. 8

STATE BUDGET & CONTROL BOARD

# # #

# EXHIBIT

OCT 21 1986

NO. 9

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION  
ITEM NUMBER

3

AGENCY: Budget Division

SUBJECT: 1986-87 Revenue Status Report

As a follow-up to the item on first quarter revenue collections on the agenda of the last meeting, Division Director Holmes will give a brief status report on revenue collections.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Board of Economic Advisors October 9, October 7, and August 15 memo to Board

04231



STATE OF SOUTH CAROLINA  
BOARD OF ECONOMIC ADVISORS

RECEIVED

OCT 13 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

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

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

EXHIBIT

OCT 21 1986 NO. 9

STATE BUDGET & CONTROL BOARD

To: Members of the Budget and Control Board  
Subject: First Quarter General Fund Revenues

The Office of the Comptroller General has informed the Board of Economic Advisors that \$34.7 million of revenues due to the General Fund from other funds as of September 30, 1986 were collected but not recorded as of that date. This amount involves \$32.5 million of Insurance Tax funds including two payments under the revised collection system of the Insurance Department, which were anticipated in estimating first quarter revenues.

Accordingly, first quarter General Fund Revenue collections should reflect these Insurance Tax revenues which were collected but not recorded as of September 30, 1986. Total revenue results for the first quarter were then \$698.1 million against the revenue target of \$724.6 million or 3.66 percent below the estimate, instead of the higher percentage noted in the report of October 7 1986.

Board of Economic Advisors  
J.A.M.  
October 9, 1986

04232

OCT - 9 1986



STATE OF SOUTH CAROLINA  
BOARD OF ECONOMIC ADVISORS

EXHIBIT

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

OCT 21 1986

NO. 9

STATE BUDGET & CONTROL BOARD

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

To: Members of South Carolina Budget and Control Board  
Subject: General Fund Revenues for September, 1986

General Fund Revenues in September rose over the same month of last year by 4.9%. The Sales Tax increased 5.0% and the Individual Income Tax was up 8.1% over September of last year, a month that had seen double digit gains. The Corporation Tax was marginally positive, but the All Other category was off 2.1% from September 1985. This occurred after a steep rise in August of this year over August a year ago. Some of this fall-off is also likely from timing and clearance differences this September compared to September of last year. Miscellaneous revenues, however, were up a sharp 17.8% over a year ago.

On a cumulative basis for the first three months of the fiscal year as compared with the same period last year, General Fund revenues have risen 5.4%. The Individual Income Tax has shown some strength with a 9.2% increase. The Sales Tax rose 4.6%, but the Corporation Income Tax has not matched prior year levels and the All Other category and Miscellaneous Sources have shown minimal growth over the same period last year.

As the Board of Economic Advisors prepares for the November first official estimate for Fiscal Year 1987-88, a downward revision in the forecast for FY 1986-87 will be made in the process. This was anticipated in the August 15 release of the Board of Economic Advisors as a result of the lower base in FY 1985-86 from the 32 million dollar shortfall and from lower economic activity and inflation at the national level since the last official forecast of the Board. It should be noted at this time that the current quarterly collections reflect at least a 4% discrepancy from the preliminary delineations made in August. A full report to the Budget and Control Board of the effect of this quarter shortfall and its relation to the total revenue estimate for the fiscal year will be made after consideration of the impact of the Tax Reform Act and changing economic conditions.

Board of Economic Advisors  
J.A.M.  
October 7, 1986

04233



# EXHIBIT

OCT 21 1986 NO. 9

STATE BUDGET & CONTROL BOARD

## GENERAL FUND REVENUES

Dollar Amounts and Percent Changes

September 1986

	Millions of Dollars		Percent Change	
	Month of September	July through September	September FY 1986 to September FY 1987	July-September FY 1986 to July-September FY 1987
SALES TAX - TOTAL **	\$ 77.0	\$ 238.3	5.0 %	4.6 %
INCOME TAX - TOTAL	141.2	327.4	6.2	7.7
INDIVIDUAL	108.1	284.9	8.1	9.2
CORPORATION	33.0	42.5	0.5	-1.6
ALL OTHER	30.9	95.5	-2.1	0.5
REGULAR SOURCES - TOTAL	249.1	661.1	4.7	5.5
MISCELLANEOUS SOURCES - TOTAL	2.5	4.4	17.8	0.1
TOTAL GENERAL FUND REVENUES	251.6	665.5	4.9	5.4

\*\*Excludes the one percent for the Education Fund.

Board of Economic Advisors  
10/07/86

04234

NATIONAL ECONOMIC INDICATORS \*

	1983	1984	1985	2Q 85	3Q 85	4Q 85	1Q 86	2Q 86	Jun.	Jul.	Aug.	Sep.
Income and Expenditures												
Personal Income (\$ billion annually S.A.)	2,839	3,110	3,315	3,299	3,323	3,383	3,433	3,483	3,482	3,493	3,505	
Disposable Income (\$ billion annually S.A.)	2,428	2,671	2,828	2,842	2,832	2,882	2,935	2,979	2,972	2,979	2,987	
Expenditures (\$ billion annually S.A.)	2,235	2,428	2,601	2,576	2,627	2,668	2,698	2,732	2,754	2,766	2,797	
Production, Employment, Construction, Inventories, Prices												
Industrial Production (S.A.)	109.2	121.8	124.5	124.1	124.8	125.4	125.6	124.7	124.2	124.10		
Civilian Employment (million nsa)	100.8	105.0	107.2	107.0	108.5	108.3	107.1	109.4	110.9	111.8	111.5	110.2
Unemployment Rate (S.A.)	9.6	7.5	7.2	7.3	7.1	7.0	7.0	7.2	7.1	6.9	6.8	7.0
Business Inventories (\$ billion end S.A.)	509.3	573.4	584.0	578.7	579.1	583.0	584.9	589.7	586.6			
New Construction (\$ billion annually S.A.)	268.7	313.0	342.4	341.4	344.5	346.7	355.9	368.9	374.8	378.1	382.2	
Consumer Price Index (nsa)	298.4	311.1	322.2	321.2	323.6	326.5	327.3	326.5	327.9	328.0	33.0	
Money and Interest Rates												
Federal Reserve Credit (\$ billion)	171.3	175.4	190.4	189.3	191.2	198.1	202.2	208.6	207.6	210.9	209.0	213.0
Money Stock M1 (\$ billion nsa)	537.8	544.5	594.0	583.6	603.6	624.6	627.7	657.7	668.5	676.1	679.6	697.6
Installment Credit (\$ billion period nsa)	396.0	460.8	543.2	485.3	509.3	532.9	544.3	558.5	566.1	572.9		
Prime Rate (percent)	10.8	12.0	9.9	10.0	9.5	9.5	9.3	8.3	8.5	8.0	7.5	7.3
6 Month Treasury Bill (percent)	8.7	9.8	7.7	7.7	7.3	7.2	6.9	6.2	6.4	5.6	5.3	5.3
FHA Mortgage Rate (percent)	13.1	13.8	12.2	12.4	11.9	11.2	10.4	10.0	10.0	9.9	9.9	9.6
Foreign Trade												
Merchandise Trade Balance (\$ billion)	(61.1)	(111.8)	(123.6)	(30.3)	(31.3)	(37.3)	(39.3)	(36.9)	(13.3)	(16.1)	(13.3)	
Mark (Mark/\$)	2.55	2.83	2.94	3.00	2.78	2.58	2.35	2.24	2.23	2.07	2.06	
Yen (Y/\$)	237.6	237.6	238.5	245.9	230.9	206.7	187.8	169.2	165.5	154.2	155.3	

SOUTH CAROLINA ECONOMIC INDICATORS

Personal Income (\$ million)	30,095	33,367	35,206	34,976	35,388	35,879	36,674					
Non-Ag. Employment (1,000 nsa)	1,189	1,263	1,299	1,304	1,305	1,321	1,316	1,343	1,350	1,339	1,346	
Avg. Weekly Earnings, Manufacturing	285.4	297.1	307.7	302.8	309.7	318.6	321.4	320.4	322.7	322.0	328.4	
Unemployment Rate (S.A.)	10.1	7.1	6.8	7.0	6.9	6.6	7.1	6.7	6.6	6.5	6.1	
New Car Registrations	107,156	124,368	136,217	35,198	37,650	28,855	32,166	33,635	12,096	12,356	10,766	
Taxable Retail sales (\$ million)	18,597	20,664	21,524	5,504	5,634	5,434	5,143	6,208	2,356	1,950		
Income and Expenditures - Annual Rates of Change												
Personal Income	6.3	9.5	6.6	4.6	2.9	7.2	5.9	5.9	0.2	3.7	4.4	
Disposable Income	7.4	10.0	5.9	11.3	(1.4)	7.1	7.4	6.0	(2.2)	3.0	3.0	
Expenditures	9.0	8.6	7.1	9.0	7.9	6.2	4.5	5.0	9.7	5.2	13.6	
Production, Employment, Construction, Inventories - Annual Rates of Change												
Industrial Production	6.5	11.5	2.2	1.0	2.3	1.9	0.6	(2.9)	(3.8)	(1.0)		
Civilian Employment	1.5	4.2	2.1	3.0	5.6	(0.7)	(4.4)	8.6	20.9	(10.8)	3.3	(3.3)
Business Inventories	1.7	12.6	1.8	1.0	0.3	2.7	1.3	3.3	(3.7)			
New Construction	16.8	16.5	9.4	25.6	3.6	2.6	10.6	14.6	(0.3)	10.5	13.0	
Consumer Price Index	3.2	4.3	3.6	4.8	3.0	3.6	1.0	(1.0)	5.9	0.4	2.2	
Money and Interest - Rate of Change in Period												
Federal Reserve Credit	7.3	2.4	8.6	3.7	1.5	3.6	2.1	3.2	0.9	1.6	(0.9)	1.9
Money Stock M1	9.3	1.2	9.1	4.1	3.4	3.5	0.5	4.8	2.6	1.1	0.5	2.6
Installment Credit	11.3	16.4	17.9	2.5	4.9	4.6	2.1	2.6	1.4	1.20		
Prime Rate	(27.3)	11.1	(17.5)	(4.8)	(5.0)	0.0	(2.1)	(10.8)	0.0	(5.9)	(6.2)	0.0
6 Month Treasury Bill	(21.1)	12.6	(21.4)	(9.4)	(5.2)	(1.4)	(4.2)	(10.1)	3.2	(12.5)	(5.3)	0.0
FHA Mortgage Rate	(14.4)	5.3	(11.6)	(4.6)	(4.0)	(5.9)	(7.1)	(3.8)	(1.0)	(1.0)	0.0	(3.0)
Foreign Trade - Rate of Change in Period												
Mark	4.9	11.0	3.9	(5.0)	(7.3)	(7.2)	(8.9)	(4.7)	0.0	(7.2)	(0.5)	
Yen	(4.6)	0.0	0.4	(2.7)	(6.1)	(10.5)	(9.1)	(9.9)	(0.9)	(6.8)	0.7	
South Carolina Economic Indicators - Rate of Change as Indicated												
Personal Income (* annual rate)	8.2*	10.9*	5.5*	4.4*	4.7*	5.5*	8.9*					
Non-Ag. Employment (period)	2.3	6.2	2.9	2.9	0.1	1.2	(0.4)	2.1	0.4	(0.8)	0.5	
Avg. Weekly Earnings, Manufacturing (period)	11.8	4.1	3.6	1.0	2.3	2.9	0.9	(0.3)	0.6	(0.2)	2.0	
New Car Registrations (period)	25.4	16.1	9.5	2.0	7.0	(23.4)	11.5	4.6	10.8	2.1	(12.9)	
Taxable Retail Sales (period)	13.1	11.1	4.2	11.1	2.4	(3.5)	(5.4)	20.7	23.1	(17.2)		

AUG 18 1986



STATE OF SOUTH CAROLINA  
BOARD OF ECONOMIC ADVISORS

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

EXHIBIT

OCT 21 1986 NO. 9

STATE BUDGET & CONTROL BOARD

Rembert C. Dennis Building  
Suite 345  
1000 Assembly Street  
Columbia, S. C. 29201  
~~803/734-8800~~  
803/734-3784

To: Members of the South Carolina Budget and Control Board  
Subject: August 15, 1986 Delineation of Official Revenue Estimates  
by Quarters

In accordance with the provisions of Section 46, Part II, Act 540 of 1986 (the Appropriation Act of Fiscal Year 1986-87), the Board of Economic Advisors submits the attached delineation of the official Fiscal Year 1986-87 revenue estimate from the Fiscal Year 1986-87 Appropriation Act of \$2778.1 by quarters.

As indicated earlier, however, the shortfall of 32 million dollars for Fiscal Year 1985-86 has translated into an equivalent or near equivalent reduction of the estimated revenues for Fiscal Year 1986-87. The potential for such a shortfall was communicated to budgetary authorities early in June. In addition to this lower base, the changed economic outlook since the estimate makes it appear likely that a further shortfall of some proportion will occur. Based on these two factors, it is not anticipated at this time that revenues for this Fiscal Year will reach the current official estimate. Consequently, a more valid delineation for the first quarter of Fiscal Year 1986-87 is more likely to be a revenue range of \$690-\$700 million.

With final results for Fiscal year 1985-86 now in, the Board of Economic Advisors is reassessing the anticipated collections for Fiscal Year 1986-87 in preparation for the Planning Estimate for Fiscal Year 1987-88 due in mid-September. At that time, two months of actual collections will have been in and a revised delineation by quarters of revenues for Fiscal Year 1986-87 will be presented.

Board of Economic Advisors  
J.A.M.  
August 15, 1986

04236

# EXHIBIT

OCT 21 1986 NO. 9

STATE BUDGET & CONTROL BOARD

TOTAL GENERAL FUND REVENUES  
QUARTERLY ESTIMATES\*  
Fiscal Year 1986-87  
(In Millions of Dollars)

	<u>FY 1986-87</u> <u>COLLECTION BY QUARTER</u>	<u>PERCENT OF TOTAL REVENUES</u> <u>COLLECTION BY QUARTER</u>
FIRST QUARTER	724.6	26.08
SECOND QUARTER	710.2	25.56
THIRD QUARTER	636.4	22.91
FOURTH QUARTER	<u>706.9</u>	<u>25.45</u>
TOTAL	2,778.1	100.00

\* Based on the last official estimate which will be revised in the near future as more data become available. These quarterly dollar estimates will then be revised downward.

Board of Economic Advisors  
8/15/86

04237



State and transported to, assembled, installed, or erected at job sites outside the State and thereafter used solely outside the State.

B. The provisions of subsection A of this section shall apply to all sales made on or after January 1, 1983.

EXHIBIT

OCT 21 1986

NO. 9

SECTION 46

STATE BUDGET & CONTROL BOARD

TO AMEND ARTICLE 9, CHAPTER 9, TITLE 11, OF THE 1976 CODE, RELATING TO PROJECTING AND FORECASTING STATE REVENUES AND EXPENDITURES, BY ADDING SECTION 11-9-890 SO AS TO REQUIRE, BEGINNING AUGUST 15, 1986, THE BOARD OF ECONOMIC ADVISORS TO DELINEATE THE OFFICIAL FISCAL YEAR 1986-87 REVENUE ESTIMATES BY QUARTERS; AND TO PROVIDE THAT IF AT THE END OF THE FIRST OR SECOND QUARTER OF ANY FISCAL YEAR QUARTERLY REVENUE COLLECTIONS ARE FOUR PERCENT OR MORE BELOW THE AMOUNT PROJECTED BY THE BOARD OF

ECONOMIC ADVISORS, THE BUDGET AND CONTROL BOARD, WITHIN FIFTEEN DAYS OF THAT DETERMINATION, SHALL TAKE ACTION TO AVOID A YEAR-END DEFICIT.

Article 9, Chapter 9, Title 11, of the 1976 Code is amended by adding:

"Section 11-9-890. A. Beginning August 15, 1986, the Board of Economic Advisors shall delineate the official fiscal year 1986-87 revenue estimates by quarters. In all subsequent revenue estimates made under the provisions of Section 11-9-880, the Board of Economic Advisors shall incorporate quarterly revenue estimates within the annual revenue estimate.

B. If at the end of the first or second quarter of any fiscal year quarterly revenue collections are four percent or more below the amount projected for that quarter by the Board of Economic Advisors, the Budget and Control Board, within fifteen days of that determination, shall take action to avoid a year-end deficit."

SECTION 47

TO AMEND SECTION 11-11-310 OF THE 1976 CODE, RELATING TO LIMITATIONS ON ANNUAL APPROPRIATIONS AND THE CAPITAL EXPENDITURE FUND, SO AS TO REVISE THE AMOUNTS WHICH MUST BE APPROPRIATED EACH YEAR IN THE ANNUAL GENERAL APPROPRIATIONS ACT INTO THE CAPITAL EXPENDITURE FUND AND TO PROVIDE THAT THE BUDGET AND CONTROL BOARD IN MANDATING SPENDING CUTS TO MEET A PROJECTED DEFICIT DURING ANY FISCAL YEAR MUST FIRST REDUCE APPROPRIATIONS TO THE CAPITAL EXPENDITURE FUND FOR THAT YEAR BEFORE MANDATING ANY CUTS IN OPERATING APPROPRIATIONS.

The fourth and fifth paragraphs of Section 11-11-310 are amended to read:

04238

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

Meeting Scheduled for: October 21, 1986

Regular Agenda 87-32

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A Baron Holmes IV

2. Subject:

1986-87 Revenue Status Report Update

3. Summary Background Information:

The Director, A. Baron Holmes, IV, will discuss with the Board the latest 1986-87 revenue status report and 1987-88 revenue projection based on the recommendation of the Board of Economic Advisors.

4. What is Board asked to do?

For Information Only

5. What is recommendation of Board Division involved?

C. J. Smith

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

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

04239

# EXHIBIT

OCT 21 1986

NO. 10

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

4

AGENCY: Energy Office

SUBJECT: Proposed Building Energy Standards

In response to the Board's August 1985 request, the Energy Office has developed and proposes Board action on a proposed energy efficiency standard for all buildings constructed or renovated using State funds. State government and public school buildings would be covered under the proposal.

It is proposed that these Standards be recommended for adoption (by reference) in the Board's recommended appropriations bill. Reference to these Standards would be included along with various other codes governing building construction in the appropriations bill proviso on this subject. Procedures for administering these Standards also would be adopted by reference.

Staff recommends that these Standards be received as a report to the Board and referred to the Division of General Services for study and recommendations.

BOARD ACTION REQUESTED:

Receive Building Energy Standards report and refer it to General Services for study and recommendations.

ATTACHMENTS:

Energy Office Fact Sheet and referenced Standards

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FACT SHEET ON PROPOSED STATE  
BUILDING ENERGY EFFICIENCY STANDARDS

# EXHIBIT

OCT 21 1986

NO. 1 0

## Background

STATE BUDGET & CONTROL BOARD

\*State government building energy costs (heating, cooling, lighting, service hot water, and equipment) were nearly \$63 million in FY 85-86.

\*Building energy costs for the public school system were approximately \$50 million in FY 84-85.

The South Carolina Energy Office estimates that stronger, more cost-effective energy-efficiency standards for new state government and public school buildings could result in energy cost reductions of 15-20 percent as existing building stock is replaced. This could eventually mean \$10 million annually to be spent on education rather than energy.

Currently, South Carolina relies on the national "Model Energy Code" to encourage energy efficiency in new public buildings. However, there are significant limitations to this approach for energy efficiency, and the current standards are not particularly stringent. Further, the state has committed very few resources to enforce the code.

## Proposal

It is proposed that all new state government and school buildings be designed to meet the following criteria:

- 1) That they will not exceed an overall budgeted energy usage when operated under stated conditions. Computer software packages provided by the South Carolina Energy Office will be used to simulate energy use based on the architect's plans. The projected energy use of a planned building will allow compliance to be determined before construction is started.
- 2) That they meet the standards of a more effective, yet simpler, efficiency code.

This criteria will help ensure that new state buildings do not waste tax dollars through poor energy performance. Additionally, the energy budget approach, and related computer software, allow architects maximum flexibility in finding the most cost-effective mix of energy-efficient features for a given building.

## Implementation

This proposal requires no additional state employees and meshes with established state review procedures. Architects will certify to the State Engineer, or appropriate officials at the Department of Education, that the building they have designed will not use more energy than the State Standards allow, based on computer simulations of their plans. Input data and output printouts will be provided for public review. Separate provisions will eventually cover acquisitions of existing buildings and new leased space.

The South Carolina Energy Office will provide software, training, and technical assistance to architects and state building officials to implement the new standards.

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# EXHIBIT

Briefing Paper for Proposed  
State Building Energy Standards OCT 21 1986 NO. 1 0

STATE BUDGET & CONTROL BOARD

## Background

In a resolution passed in August, 1985, the South Carolina Budget and Control Board requested that the South Carolina Energy Office, in coordination with other agencies, develop a proposed "Energy Efficiency Standard for State Government Buildings." The Budget and Control Board's resolution was based on a stated desire to reduce state government operating costs by ensuring greater energy efficiency in new state construction. Another goal, articulated by the South Carolina Energy Office, was to provide leadership in energy efficient design to the private sector and local governments.

State expenditures for heating, cooling, lighting and other energy needs in existing state buildings were estimated to reach more than \$62.9 million for FY85-86. Public school building expenditures for energy were approximately \$50 million. New construction and major renovations of a number of state buildings were authorized by the General Assembly in 1986. Other state-funded construction can be expected in coming years, including privately-financed buildings dependent on state pre-leasing agreements and new school buildings authorized by local school boards.

To meet the request of the Budget and Control Board, the South Carolina Energy Office, through its technical contractors and in coordination with other designated agencies, has developed a proposed energy efficiency standard for new state-funded construction. Outlined here is a description of the "State Building Energy Standards", how they better addresses the goal of reduced energy cost for state government, and a proposed mechanism for implementation and enforcement.

It is believed the proposed standards improve both the cost-effectiveness and the enforceability of the present standards. And the proposed standards offer another major advantage over the present approach: much greater flexibility to building designers in achieving energy efficiency. In fact, the new standards and supporting computer software are not just a set of rules, but a powerful design tool as well.

## Energy Budget vs. Prescriptive Standards

The state's present approach to energy-related design in new state-funded construction relies on the Model Energy Code, which prescribes certain technical requirements and performance standards for a long list of building components and systems. This code applies to non-residential buildings in South Carolina,

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private sector as well as some of the public sector. The philosophy behind present standards is that by requiring each specific component or energy system in a building to meet certain standards, the overall performance of the building will be considered efficient.

However, there are three major disadvantages to complete reliance on a purely prescriptive approach in general and the Model Energy Code in particular:

- 1) Experience and research have shown that a purely prescriptive standard is best suited for small buildings, but cannot ensure overall efficiency for large buildings. In fact, as building size increases, prescriptive standards can lead to distorted relationships among building components and actually create inefficiencies.
- 2) The complexity and detail of a totally prescriptive approach make designing and enforcement difficult and tedious.
- 3) The present prescriptive standard itself is not especially strict in terms of cost-effective energy performance requirements.

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In short, the code approach allows the construction of buildings that waste energy. In state government and public school buildings, this results in wasted tax dollars.

The basic approach of the proposed standards departs considerably from the present system. In essence, the proposed standards set carefully calculated energy use budgets (measured in BTU's/square foot/year) for different types of buildings. In concept, the designer can use whatever energy-related design elements he chooses as long as he creates a building that will operate within the limits of its energy use budget.

The key to applying the energy budget approach is a newly-developed computer software program that can project energy use for a given type of building based only on the architect's plans. Named BEST, for Building Energy Simulation Technology, the program was designed for use with widely employed and accepted hardware (IBM PC or compatible microcomputers.) BEST represents a state-of-the-art refinement of energy simulation technology that has proven effective in a number of states.

BEST offers the designer practical options for making energy-relevant changes in the design as it develops. With each change the program recalculates the projected annual energy use for the structure, as well as subtotals for each zone within the structure. As the design progresses, the designer adds physical values for specific building components, such as levels of insulation.

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If certain building components have not yet been selected, the designer may elect to use stated default values provided by the program until actual component selections are made. Thus, the designer will be able to test and study from one to dozens of concepts for energy efficiency and cost-effectiveness before selecting the final design.

In addition to the basic simulation, BEST offers the designer three subprograms which can also lead to major reductions in a building's energy use. Each of the subprograms address the intelligent use and/or control of the sun's energy: 1) Allowing the sun to provide heating in the winter, 2) Preventing overheating in the summer, and 3) Reducing lighting costs through "daylighting".

Although energy budgeting is the essence of the proposed standard for state-funded construction, certain prescriptive standards are retained. These prescriptive standards are more stringent than those in the Model Energy Code and are retained for two major reasons:

- 1) As a supplement and backup to the energy budget approach.

Energy budget levels can be expected to undergo revisions as data from actual field experience becomes available. Retaining prescriptive standards that are more stringent than those in the presently-used code is a degree of insurance that actual energy use will be reduced as much as desired.

- 2) To make BEST usable on personal-size computers.

For example, the BEST program does not ask for mechanical equipment efficiencies as an input, but rather uses stated assumptions built into the program about efficiency values to make its energy use projections. By making assumptions for certain equipment values, the need for computer memory capacity for operating BEST is kept within the range of widely used computer hardware.

However, the prescriptive elements of the proposed standard, while more stringent, are not as complex or extensive as those in the present standard.

In summary, energy budgeting is proposed as an alternative to the purely prescriptive approach of the current Model Energy Code. The budget levels are set to meet and exceed the same objectives of the code, but which the present method of relying solely on the code often fails to achieve in reality. And combined with the BEST software package, the energy budget approach provides designers with flexibility and a powerful design aid. Some prescriptive elements are retained as a backup to the budget approach and to allow BEST to be operated on personal computers.

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## Implementation and Enforcement

This plan would require the addition of no new state employees. As with the present system, enforcement responsibility for ensuring compliance with The State Building Energy Standards for state-financed construction resides within the State Engineer's Office in the Division of General Services; and for public school buildings, within the Office of School Planning and Building in the Department of Education.

Under this proposal, architects would be required to submit their plans for approval, as now, but they would also have to certify that the projected energy use of their designs does not exceed the energy budget levels adopted by the Budget and Control Board. They would also have to certify that the prescriptive standards are met as well, but the proposed standards would replace completely the current energy code. Separate rules would cover existing buildings acquired, and space leased in the future, with state funds.

Software and technical assistance to utilize the design tool and implement the proposed standards would be provided by the South Carolina Energy Office to architects and building officials alike.

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# EXHIBIT

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NO. 1 0

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## SOUTH CAROLINA STATE BUILDING ENERGY STANDARDS



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EXHIBIT

OCT 21 1986 NO. 10

STATE BUDGET & CONTROL BOARD

# **SOUTH CAROLINA STATE BUILDING ENERGY STANDARDS**

**Presented to  
South Carolina Budget and Control Board**

**Presented by  
South Carolina Energy Office**

**04247**

# EXHIBIT

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## ENERGY BUDGET LEVELS

STATE BUDGET & CONTROL BOARD

ENERGY BUDGET LEVELS FOR BUILDING DESIGNS (BTU/ft<sup>2</sup> yr)\*

<u>State Building Category</u>	<u>Primary Heating System</u>	
	<u>Gas</u>	<u>Electric</u>
Schools, Secondary & Elementary	49,000	46,000
Office	47,000	44,000
University & College	66,000	61,000
Highway Patrol	118,000	115,000
Warehouse	22,000	20,000
Armory	30,000	27,000
Health Center	60,000	59,000
Apartment	82,000	63,000
Residence	82,000	63,000
Hospital or Mental Health Facility	108,000	93,000
Prison or Jail	67,000	55,000
Vocational School	64,000	62,000

### NOTES:

- \* Figures include design energy requirements for heating, cooling, domestic hot water, fans, exhaust fans, heating and cooling auxiliaries, elevators, escalators and lighting. The parameters in this table are expressed in terms of the energy content of the fuel delivered to a building site.

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STATE BUDGET & CONTROL BOARD

## PRESCRIPTIVE STANDARDS

### A. INTRODUCTION

1. General. The purpose of these Prescriptive Standards is to set forth minimum efficiency requirements for the design of new state buildings or portions thereof and additions to existing state buildings. This is accomplished by regulating the design of building envelopes and the selection of HVAC equipment, service water heating equipment, electrical distribution and illuminating systems and equipment for effective use of energy. In any case, where a federal, state or local code or regulation exceeds these standards, that code or regulation shall apply.
2. Definitions. For the purpose of these standards, the following definitions shall apply:
  - a. "ANSI" refers to the American National Standards Institute.
  - b. "ARI" refers to the Air-Conditioning and Refrigeration Institute.
  - c. "Appendix M" means Appendix M, pages 76707 through 76723 of the Federal Register, Vol 44, No. 249, Thursday, December 27, 1979.
  - d. "Building Envelope" means the elements of a building which separate interior spaces from the exterior environment.
  - e. "DOE Covered Equipment" means HVAC equipment covered by the provisions of Appendix M.
  - f. "Coefficient of Performance (COP)" means the ratio of the rate of useful heat output delivered by the complete heat pump unit (exclusive of supplementary heating) to the corresponding rate of energy input, in consistent units and under ARI standard rating conditions.
  - g. "Energy Efficiency Ratio (EER)" means the ratio of net cooling capacity in BTU/hr to total rate of electric input in watts under ARI standard operating conditions.
  - h. "Heating Seasonal Performance Factor (HSPF)" means the ratio of total BTUs of heating produced by a heat pump during normal usage over a period of time to the total electrical input in watt-hours; wherein the quantities referenced are obtained as specified by Appendix M.
  - i. "HVAC Zone" means a space or group of spaces within a building combined for common control of heating or cooling.
  - j. "New Energy" means electrical or chemical energy converted to thermal or mechanical energy expressly for the purpose of comfort heating or cooling. Electric reheat of conditioned air constitutes "new energy," while reclaimed heat from an air conditioner is not "new energy."
  - k. "Outside Air" means air taken from outdoors and not previously circulated through the system.
  - l. "R-value (thermal resistance value)" means the resistance to heat flow rate through a given construction assembly expressed in  $\text{ft}^2 \text{ hr F/BTU}$ .
  - m. "Recooling" means the application of cooling as a secondary process to either preconditioned outside air or recirculated room air.



- n. "Recovered Energy" means energy utilized which would otherwise be wasted from an energy utilization system.
- o. "Reheating" means the application of heating as a secondary process to either preconditioned outside air or recirculated room air.
- p. "Renewable Energy Source" means an energy source which is either infinitely replenishable (wood, grain, etc.) or inexhaustible (wind, solar, etc.).
- q. "Seasonal Energy Efficiency Ratio (SEER)" means the ratio of total BTUs of cooling produced by a unit during normal usage over a period of time to the total electrical input in watt-hours, wherein the quantities referenced are obtained as specified by Appendix M.
- r. "Service Water Heating" means heating of water for domestic or commercial purposes other than comfort heating.
- s. "Thermal Transmittance, Overall ( $U^0$ )" is the overall (average) heat transmission of a gross area of the exterior building envelope ( $\text{BTU}/\text{ft}^2\text{hr F}$ ). The  $U^0$  value applies to the combined effect of the time rate of heat flow through the various parallel paths, such as windows, doors and opaque construction areas, comprising the gross area of one or more exterior building components, such as walls, floors or roof/ceiling.
- t. "Vapor Retarder" means a film, duplex paper, foil or other material which provides resistance (not more than 1.0 perm dry cup rating) to the transmission of water vapor from an area of high vapor pressure to an area of low pressure. The material may or may not be an integral part of the insulation and may or may not be continuous.

#### B. BUILDING ENVELOPE

1. U-Values. Component U values (coefficient of heat transfer) shall be taken or developed from the Design Heat Transmission Coefficients and Heating Loads chapters of the current edition of the ASHRAE Handbook of Fundamentals or an alternative accepted analysis method. Appropriate adjustments shall be included, e.g, framing for opaque walls. Seasonal average conditions for wind speed shall be assumed to be 7.5 mph for calculation of outside air film coefficients.
2. Insulation. Thermal barriers of below grade walls shall have a thermal resistance value (R-value) of not less than R-6, or U-value of not greater than 0.17.
3. Vapor Retarder. A vapor retarder shall be installed within the building envelope. Exterior walls, exterior ceilings and floors of buildings shall have a vapor retarder when thermal insulation is installed. The vapor retarder need not be an integral part of the insulation material for walls, ceilings, or floors.
4. Ground Cover. A ground cover shall be installed on the ground in crawl spaces for both new and existing buildings when thermal insulation is installed. The ground cover shall be 6-mil opaque polyethylene or other material approved by the Building Official of equivalent perm rating. A ground cover with a 1.0 perm dry cup rating or less shall be installed beneath concrete slabs.

5. Infiltration

- a. Exterior Doors. All exterior doors, other than fire-rated doors, shall be so designed as to minimize air leakage around their perimeter when in a closed position. Air infiltration rates shall not exceed those shown in Table A.
  - (1) Each door shall be provided with a seal, astragal or baffle at the head and sill.
  - (2) Doors mounted on either the inside or outside of an exterior wall shall have a minimum one-half inch lap at each jamb.
  - (3) Doors requiring vertical tracks or guides shall use a continuous mounting angle sealed at each jamb in accordance with the "Caulking and Sealants" requirements below.
- b. Exterior Windows. All exterior windows shall be designed to limit air leakage into or from the building envelope. Manufactured doors and windows shall have air infiltration rates not exceeding those shown in Table A. Site-constructed doors and windows shall be caulked, gasketed, weatherstripped or otherwise sealed in an approved manner.
- c. Caulking and Sealants. All openings in the building envelope shall be sealed, caulked, gasketed or weatherstripped.

TABLE A. Allowable Air Infiltration Rates<sup>1</sup>

Windows	Residential Doors, <sup>(2)</sup> Swinging and Sliding	Nonresidential Doors, Swinging, sliding, revolving <sup>(3)</sup>
(cfm per foot of operable sash crack)	(cfm per square foot of door area)	(cfm per linear foot of crack)
0.5	0.5	1.1

- (1) When tested at a pressure differential of  $1.567 \text{ lb/ft}^2$ , which is equivalent to the impact pressure of a 25 mph wind.
- (2) Compliance with the criteria for air leakage shall be determined by: Standard Method of Test for Rate of Air Leakage Through Exterior Windows, Curtain Walls and Doors, Specification E283-73 of ASTM; Specifications for Aluminum Windows, ANSI A 134.1, 1972 Specifications for Aluminum Sliding Glass Doors, ANSI A134.2, 1972; Industry Standard for Wood Window Units, NWMA IS-2, Industry Standard for Wood Sliding Patio Doors, NWMA IS-3.
- (3) If other types of coverings are used for door openings, their design shall meet this same standard.

## C. MECHANICAL SYSTEMS

### 1. General Requirements

#### a. Design Parameters.

(1) Exterior design temperatures. The heating or cooling design temperatures shall be selected from the current edition of the ASHRAE Handbook of Fundamentals. For locations not listed therein, other temperatures may be used as determined by the Building Official. Winter design temperatures shall be selected from the 97.5 percent column for all occupancies. Summer design dry-bulb and wet-bulb temperatures shall be selected from the 2.5 percent column.

(2) Interior design temperatures.

Winter. The recommended heating design condition is 70 F dry bulb. If humidification is provided, it shall be designed to provide a maximum relative humidity of 30 percent.

Summer. Where comfort cooling is required or used, the recommended design condition is 78 F dry bulb. Zones with special occupancy may be exempt from these requirements. The actual design relative humidity within the comfort envelope as defined in ANSI/ASHRAE Standard 55-74 shall be selected for minimum total HVAC system energy use when considering air quantities, system type, etc.

(3) Humidity Control. If a system is equipped with a means for adding moisture to maintain specific selected relative humidities in spaces or zones, a humidistat shall be provided. This device shall be capable of being set to prevent new energy from being used to produce space relative humidity above 30 percent. Where a humidistat is used in a system for controlling moisture removal to maintain specific selected relative humidities in spaces or zones, it shall be capable of being set to prevent new energy from being used to produce a space relative humidity below 60 percent.

b. Ventilation. During periods of heating or cooling, outdoor air for ventilation shall conform to ASHRAE Standard 62-81.

### 2. Efficiency of HVAC Equipment.

a. General. In this section minimum conditioning equipment operating efficiencies acceptable under the provisions of the code are described.

b. Combustion Heating Equipment. Any heating equipment which utilizes combustion of a nonrenewable fuel shall have a thermal efficiency of at least 75 percent based on the ANSI Z21.47-1978 test procedure.



- c. Electrically Powered Cooling. All electrically driven comfort cooling chillers shall have a cooling efficiency not less than the relevant value given in Table B (DOE Covered Equipment) or Table C (equipment not covered by DOE). Test procedures to be used for units specified in Table C are given in Table J at the end of this section.
- d. Heat Pumps. Comfort conditioning heat pumps shall have cooling and heating efficiencies not less than the relevant values shown in Table D (DOE Covered Equipment) or Table E (equipment not covered by DOE). Test procedures related to Table E are given in Table K at the end of this section.

3. Controls

- a. Control Locks. All HVAC controls shall be located within heavy duty, metal, opaque locked enclosures to prevent resetting by unauthorized personnel.
- b. Temperature Regulation.
  - (1) Each HVAC system shall be provided with at least one automatic thermostat for the regulation of temperature.
  - (2) Each thermostat shall be capable of being set by adjustment or selection of sensors as follows:
    - (a) Where used to control heating only: 55 to 75 F.
    - (b) Where used to control cooling only: 70 to 85 F.
    - (c) Where used to control both heating and cooling, it shall be capable of being set from 55 to 85 F and shall be capable of operating the system heating and cooling in sequence. The thermostat and/or control system shall have an adjustable deadband of up to 10 F.
  - (3) Each space heating system shall include time clock controls for setback of the heating temperature setpoint to 58 and deactivation of power humidifiers (where installed) during unoccupied hours.
  - (4) Each space air conditioning system shall have time clock controls to deactivate the cooling equipment during unoccupied hours.
- c. Heat Pump Controls. The system shall have a control to prevent supplementary heating operation when the operating load can be met by the heat pump alone. Supplementary heater operation is permitted during transient periods, such as startups, following room thermostat set-point advance and during defrost. A two-stage thermostat, which controls the supplementary heat on its second stage, shall be accepted as meeting this requirement. The cut-on temperature for the compression heat shall be higher than the cut-on temperature for the supplementary heat. The cut-off temperature for compression heat shall be higher than the cut-off for supplementary heat. Supplementary heat

TABLE B - MINIMUM EFFICIENCIES FOR DOE COVERED EQUIPMENT, SEER

	<u>Air-Cooled</u>	<u>Evap. or Water Cooled</u>
Central Units	8.0	9.0
Room Units	8.0	8.8

TABLE C - MINIMUM EFFICIENCIES FOR EQUIPMENT NOT COVERED BY DOE

<u>Classification</u>	<u>Type</u>	<u>Condensing Method</u>	<u>EER</u>
A	Unitary electric air conditioners (Direct Expansion) or water	Air	8.3
		Evaporative	9.0
B	Electrically driven water chilling packages (with condenser)		
		Centrifugal or rotary type	Air 8.2 Water 13.8
		Reciprocating type	Air 8.7
			Water 12.4
C	Electrically driven condensing units	Air	10.0
		Evaporative or water	12.9
D	Heat operated		2.3

TABLE D - MINIMUM EFFICIENCIES FOR  
DOE COVERED HEAT PUMPS

<u>SEER (cooling)</u>	<u>HSPF (Heating)</u>
8.9	6.4

TABLE E - MINIMUM EFFICIENCIES FOR HEAT PUMPS  
NOT COVERED BY DOE

Air Source Heat Pumps

EER (Cooling)	COP (Heating)	
	High Temp	Low Temp
8.3	2.8	1.9

Water Source Heat Pumps

EER (Cooling)	COP (Heating)
9.4	3.5

may be derived from any source including, but not limited to, electric resistance, combustion heating or stored-energy heating.

- d. Simultaneous Heating and Cooling. Simultaneous heating and cooling of a zone by reheating, recooling or concurrent operation of heating and cooling systems using new energy shall not be permitted.

#### 4. Pipe and Duct Insulation

- a. Refrigerant Piping Insulation. All refrigerant piping which is not located within HVAC equipment shall be insulated to no less than the relevant thermal resistance value shown in Table F.
- b. Air Duct Insulation. All conditioning system air ducts shall be insulated to no less than the relevant values shown in Table G.

### D. SERVICE WATER HEATING

#### 1. Insulation

- a. Tank Insulation. All automatic storage water heaters shall have tank top and side surfaces insulated to at least R-14.
- b. Pipe Insulation. Hot water piping shall be insulated in accordance with Table F.

#### 2. Controls

- a. Water temperature controls capable of adjustment from the lowest to the highest temperature settings acceptable for the intended use shall be provided.
- b. Time controls that turn off all service water circulating pump(s) during periods in which the building is not occupied shall be included.

#### 3. Flow Rates

- a. Showers. Showers using heated water shall be equipped with flow control devices to limit the maximum water discharge to 3 gpm.
- b. Lavatories. Lavatories shall be equipped with outlet devices which limit the maximum water discharge to 0.5 gpm.

### E. LIGHTING

#### 1. Lighting Controls

- a. General. Controls for building lighting systems shall permit efficient and flexible use of energy. Lighting controls, except automatic controls and those for special purpose applications which require trained operators or those which would pose a safety problem or security hazard, shall be in readily accessible locations, as follows:

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TABLE F - MINIMUM PIPE INSULATION\*

Piping System Types	Insulation Thickness for Pipe Sizes**						
	Fluid Temperature Range, F	Runouts 2 in***	(1 in.) and Less	1 1/4-2 in.	2 1/2-4 in.	5 & 6 in.	(8 in.) and Larger
	F	in.	in.	in.	in.	in.	in.
<u>Heating Systems</u>							
Steam & Hot Water							
High Pressure/Temp	206-450	1.5	2.5	2.5	3.0	3.5	3.5
Medium Pressure/Temp	251-305	1.5	2.0	2.5	2.5	3.0	3.0
Low Pressure/Temp	201-250	1.0	1.5	1.5	2.0	2.0	2.0
Low Temperature	120-200	0.5	1.0	1.0	1.5	1.5	1.5
Steam Condensate (for Feed Water)	Any	1.0	1.0	1.5	2.0	2.0	2.0
<u>Cooling Systems</u>							
Chilled Water, 40-55	0.5	0.5	0.5	0.75	1.0	1.0	
Refrigerant, or Brine	Below 40	1.0	1.0	1.5	1.5	1.5	1.5

\*Other insulation thicknesses. Insulation thicknesses in Table F are based on insulation having thermal resistivity in the range of 4.0 to 4.6 ft<sup>2</sup>·hr·F/BTU·in. on a flat surface at a mean temperature of 75 F. Minimum insulation thickness shall be increased for materials having R values less than 4.0 ft<sup>2</sup>·hr·F/BTU·in. or may be reduced for materials having R values greater than 4.6 ft<sup>2</sup>·hr·F/BTU·in. For materials with thermal resistivity greater than 4.6 ft<sup>2</sup>·hr·F/BTU·in. the minimum insulation thickness may be reduced as follows:

$$\frac{4.6 \times \text{Table F thickness}}{\text{Actual R}} = \text{New Minimum Thickness}$$

For materials with thermal resistivity less than 4.0 ft<sup>2</sup>·hr·F/BTU·in., the minimum insulation thickness shall be increased as follows:

$$\frac{4.0 \times \text{Table F Thickness}}{\text{Actual R}} = \text{New Minimum Thickness}$$

\*\*For piping exposed to outdoor air, increase thickness by 0.5 inch.

\*\*\*Runouts to Individual Terminal Units (not exceeding 12 ft in length).

TABLE G - MINIMUM DUCT INSULATION

Temp. Difference Between Design Air Duct Temp. and Temp. of Air Surrounding Ducts degrees F.	Minimum Thermal Resistance Exclusive of Film Resistance - R
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0 - 29.9	4.0
30.0 - 54.9	6.0
55.0 - 79.9	7.0
80.0 - 105	8.0

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- (1) Any space enclosed by ceiling height partitions, and with floor area less than 400 square feet shall be provided with an individual lighting control.
  - (2) Office occupancies with floor area greater than 400 square feet shall be provided with controls to permit reducing the lighting by at least one half.
  - (3) All building areas where natural lighting is available shall be provided with local controls or automatic controls, such as photoelectric switching, which permit control of lights independent of general area lighting and reduction of artificial lighting power to at least one half and to completely off. For office and school occupancies, at a minimum, lighting serving a zone within twelve (12) feet of a window, or the zone between an interior wall and the window wall of less than twelve (12) feet, shall comply with this provision. For retail occupancies, at least the row of luminaires nearest the window shall comply with this provision.
- b. If daylighting or lumen maintenance controls are installed, they shall meet the following requirements:
- (1) The controls shall be capable of reducing the general lighting of the controlled area by at least one half while maintaining a uniform level of illuminance throughout the area.
  - (2) If the control is a dimmer, the control shall have the capability, as certified by the manufacturer, of providing electrical outputs to the lamp for flicker free operation throughout the dimming range and without causing early lamp failure.
  - (3) The control shall incorporate time delay circuits to prevent undesirable cycling or too frequent light level changes.
  - (4) If the control uses step switching, the control shall have a deadband to prevent on-off cycling.
  - (5) Each photocell sensor shall be a light diffusing type and shall not have a mechanical slide cover or other device that would permit easy, unauthorized disabling of the control.
  - (6) Daylighting or lumen maintenance controls shall control only luminaires within the daylit area.
- c. If daylighting controls, lumen maintenance controls or occupant-sensing devices are installed, they shall visibly or audibly warn the occupants when they have failed or malfunctioned.
- d. The maximum lighting that may be controlled from a single device shall not exceed that of a 20-ampere circuit loaded to no more than

80 percent. Additional master control may be included provided the individual switches retain their capability to function independently.

- c. Display, exhibition or specialty lighting shall be controlled independently of general lighting.
- f. Exterior building lighting shall have automatic controls to reduce or turn off all lights during periods of nonuse. Life safety, security and sign lighting shall be exempt from this provision.

EXCEPTION: Lighting in dwelling units is exempt from these lighting control requirements.

## 2. Lighting Power Budget

- a. Budget Development. A lighting power budget is the upper limit of total installed lighting wattage for all interior and exterior building spaces. The lighting power budget for a building shall be determined in accordance with the criteria and calculation procedure specified herein. Table L at the end of this section may be completed to calculate the maximum required budget in watts for each facility. The design room watts and design exterior area watts (lamp + ballast) shall be calculated for each room and exterior area. The suggested room or exterior area watts shall be calculated from:

$$\text{Lighting Density (watts/ft}^2\text{)} \times \text{Area (ft}^2\text{)} = \text{Suggested Room Watts.}$$

Lighting density shall be taken from Table H. The design room watts and design exterior area watts shall be summed to give the design budget in watts. The suggested room watts and suggested exterior area watts shall be summed to give the required budget in watts. The design budget must be equal to or less than the required budget, or the lighting must be redesigned.

EXCEPTIONS: The following shall be exempt from lighting power budget limits:

- (1) Lighting in areas designated for use by visually handicapped people.
- (2) Sign lighting
- (3) Power required for trickle-charging battery-powered emergency exit lighting
- (4) Outdoor athletic facilities
- (5) Special as compared to general lighting required for art exhibits or displays in galleries, museums and monuments



- (6) Stage lighting, entertainment or audiovisual presentations where the lighting is an essential technical element for the function performed.
- (7) Lighting for medical and dental tasks.
- (8) For restaurant occupancies, lighting for kitchen and food preparation areas.
- (9) Exterior lighting for public monuments
- (10) Special lighting needs for research labs
- (11) Special lighting used solely for indoor plant growth during off-peak hours
- (12) Residential buildings.

The lighting density shall be based on the primary occupancy for which the room within the building is intended. If a common circulation area serves multiple occupancies or multiple retail spaces, the lighting power budget for the common circulation area shall be the weighted average of the lighting density for all other areas on that floor. When insufficient information is known about the specific use of the building space (e.g., space function, size of retail tenants), the budget shall be based on the apparent intended use of the building space.

In cases where a lighting plan for only a portion of a building is submitted, the interior lighting density shall be based on the gross floor area covered by the plan.

- b. Daylighting. In areas that are located within 15 feet of a perimeter window or 10 feet horizontally from a skylight or skylight well, the design wattage may be adjusted downward to account for the use of natural lighting, provided that all electric lighting within the zone is controlled by automatic devices capable of reducing electric lighting power consumption. Such automatic devices shall control all luminaires directly above the floor area of the daylit zone, and shall not control any luminaire more than 50 percent outside the daylit zone. For sections controlled by devices capable of reducing electric lighting power consumption continuously the design wattage shall be multiplied by 0.7. For areas controlled by devices capable of reducing electric lighting power consumption in two or more steps to 50 percent or less of maximum power consumption, the design wattage shall be multiplied by 0.8. No adjustments to the installed wattage in daylit areas shall be permitted for other types of control devices.
- c. Exterior lighting. The exterior lighting density shall be calculated by multiplying the building perimeter by 7.5 watts per foot. Lighting for parking structures shall be calculated at 0.3 watts/gross square foot of

parking area. An allowance for outdoor parking and circulation lighting may be added at 0.05 watts per square foot of illuminated area.

- d. Fluorescent Lighting. Where fluorescent lighting is to be used, energy efficient lamps shall be specified when available from the manufacturers in the specified size.

TABLE H LIGHTING DENSITY FOR LISTED OCCUPANCIES

<u>Building Type</u>	<u>Function</u>	<u>Lighting Density</u> <u>Watts/ft<sup>2</sup></u>
1. Elementary or Secondary School	Classroom/Lab	1.80
	Cafeteria/Kitchen	1.85
	Gymnasium	1.10
	Faculty Office	1.70
	Auditorium	1.10
2. Office	Office	1.70
	Reception	1.70
	Conference	1.70
	Computer Room	1.30
3. University or College	Classrooms	2.00
	Faculty Offices	1.70
	Administrative Offices	1.70
	Library	1.70
	Dormitory	1.10
	Student Activities	1.70
	Laboratories	2.50
	Cafeteria/Kitchen	1.85
	Athletic Complex	1.10
4. Highway Patrol	Office	1.70
	Garage	0.30
	Conference/Training	1.70
	Radio Room	1.70
5. Warehouse	Office	1.70
	Storage Area	0.70
6. Armory	Office	1.70
	Drill Area	0.50
	Classroom	1.70
	Rifle Range	1.10
7. Health Center	Office	1.70
	Laboratory	2.50
	Exam Room (task lighting exempt)	1.70
8. Apartment	(provided for calcu- lation, exempt)	1.10
9. Residence	(provided for calcu- lation; exempt)	1.10

EXHIBIT

OCT 21 1986

NO. 10

STATE BUDGET &amp; CONTROL BOARD

Table H (continued)

10. Hospital or Mental Health Facility	Offices	1.70
	Patient Room (task lighting exempt)	1.10
	Diagnostic Area (task lighting exempt)	1.70
	Operating Room (task lighting exempt)	2.00
	Staff Cafeteria	1.85
	Visitor/Patient Cafeteria/Kitchen	1.85
	Laundry	1.00
11. Prison or Jail	Cells	0.60
	Cafeteria/Kitchen	1.85
	Offices	1.70
	Infirmary (task lighting exempt)	1.70
	Laundry	1.00
	Day Room	1.10
	Law Library	1.70
12. Vocational School	Offices	1.70
	Classrooms	1.80
	Shops/Labs	2.50
	Cafeteria/Kitchen	1.85



#### F. POWER FACTOR

1. General. Equipment rated greater than 4 hp and lighting equipment greater than 15W, with an inductive reactance load component, shall have a power factor of not less than 85 percent under full load conditions.

#### G. MOTORS

1. Efficiencies. AC polyphase motors shall have rated efficiencies not less than shown in Table I. Motor types not covered by Table I are not regulated as to efficiency by these standards.

Motor efficiencies shall be tested using a statistically valid quality control schedule according to the Institute of Electrical and Electronics Engineers 112A, Test Method B. The efficiency and motor power factor of all motor types shall be listed on the motor nameplate.

EXCEPTIONS: Motors expected to operate less than 1000 hours per year are exempt from these standards.

2. Motor Enclosures. Where feasible, conditioning of motor enclosures should be done with building HVAC system return or relief air. Heat from the motor room shall be recovered when usable.
3. Motor Sizing. The size/capacity rating of a motor shall be selected so that it does not exceed 125% of the calculated maximum load being served.
4. Motor Controls. When loads on motors rated at or above 15 hp are expected to vary more than 20% during normal operating conditions, provisions shall be made to vary the speed of the motor or other operating characteristics of the system in response to the load. This may be done with multi-speed motors, variable speed drives, multi-motor drives, vane control or other equivalent means.

#### H. SUBMETERING

Every building should be capable of having its electrical energy consumption submetered on the basis of usage category or tenant occupancy, depending on conditions defined below. Buildings whose connected electric service is over 150 KVA shall be capable of being so submetered. For such buildings that are occupied by multiple tenants, the submetering shall be per tenant to the extent feasible for the types of building HVAC systems used.

1. To accommodate such submetering, the electrical power feeders for each facility for which submetering is required shall be subdivided in accordance with the following usage categories:
  - a. Lighting and miscellaneous power outlets
  - b. HVAC systems and equipment
  - c. Special process loads

TABLE I. MINIMUM ACCEPTABLE MOTOR EFFICIENCIES  
FOR POLYPHASE MOTORS, DESIGN B

<u>HP</u>	<u>EFFICIENCY NOMINAL</u>
3/4	81.5
1	81.4
1 1/2	82.7
2	84.3
3	84.8
5	88.1
7 1/2	88.5
10	89.1
15	89.7
20	90.0
25	91.0
30	91.8
40	92.5
50	93.1
60	93.5
75	93.9
100	93.7

Power for emergency supply need not be so submetered.

The power feeder for each of these three service categories shall contain provisions for portable or permanent submetering prior to, or within any primary or secondary distribution panels. Such provisions are to include a separate compartment or panel of adequate size and design to house the necessary voltage and current transformers.

The locations of these points of measurement may be central or distributed through the building, as appropriate to the layout of the building. Where required, the measurement devices may be of types adequate for normal instrumentation, and need not be of utility-grade accuracy. Where meters are required, the meter shall be capable of measuring kilowatt-hours.

2. The installation of such feeders and/or of permanent submetering equipment is required for the following situations:

- a. Lighting Loads. Where the connected lighting load for a building exceeds 50 KVA, the lighting shall be separately submetered. When the connected lighting load is 50 KVA or less, the lighting shall be fed from a single feeder which shall have provisions for portable or permanent metering prior to any primary or secondary distribution panels.
- b. HVAC Equipment Electrical Loads. For HVAC system having individual or combined equipment rated over 100 KVA. Such equipment shall be provided with one or more submeters to measure the equipment and/or system performance in KWH.

For HVAC systems or subsystems having a connected load of 100 KVA or less, the system or subsystem shall be fed from a single feeder which shall have provisions for portable or permanent metering.

- c. Process Loads. Integral processes, other than HVAC or lighting, that have a connected load of 100 KVA or more shall be separately submetered.
- d. Multiple Tenant Metering. In multiple-tenant buildings, each tenant space having a total connected load of less than 100 KVA shall have provision made to permit submetering total tenant load, but need not be a single feeder or single submeter. For tenant spaces with a total connected load of 100 KVA or more, separate service feeders shall be provided for each category of service. The feeder(s) and distribution equipment shall contain provisions for portable or permanent submetering.
- e. For buildings where tenant divisions are not known at the time of design, provisions shall be made which enable the above tenant submetering to be accomplished when the tenant work is installed.

3. Tenant spaces must be separately submetered if the tenant occupies a full floor of the building or the tenant's floor area exceeds 5,000 sq ft or the tenant's total connected load exceeds 50 KVA.



TABLE J - TEST PROCEDURES FOR COOLING EQUIPMENT  
NOT COVERED BY DOE

<u>Classification</u>	<u>Type</u>	<u>Test Procedure</u>
A	Unitary Air-Conditioning Equipment:	
	Capacity less than 135,000 BTUH	ARI 210-81
	Capacity at least 135,000 BTUH	ARI 360-75
B	Centrifugal Water-Chilling Packages	ARI 550-83
	Reciprocating Water-Chilling	ANSI/ARI 590-81
C	Positive Displacement Refrigerant Condensing Units	ARI 520-78
D	Absorption Water-Chilling Packages	ARI 560-82

TABLE K - TEST PROCEDURES FOR HEAT PUMPS NOT COVERED BY DOE

<u>Type</u>	<u>Test Procedure</u>
Air Source Unitary Heat Pumps:	
Capacity less than 135,000 BTUH	ARI 240-81
Capacity at least 135,000 BTUH	ARI 340-82
Water Source Heat Pumps	ARI 320-81

## EXHIBIT

OCT 21 1986 NO. 10

STATE BUDGET & CONTROL BOARD

# EXHIBIT

OCT 21 1986

NO. 11

STATE BUDGET AND CONTROL BOARD BUDGET & CONTROL BOARD REGULAR SESSION  
MEETING OF October 21, 1986

ITEM NUMBER

5

AGENCY: Budget Division

SUBJECT: Funds Transfer, Mental Retardation

The Budget Division recommends approval of the Department of Mental Retardation request to transfer \$1,221,574 from personal service funds to other operating expenses and to delete 103 associated FTE positions.

The Department is contracting for food services and laundry services at Coastal Center and laundry services at Whitten Center, and is contracting for the operation of community residences throughout the State.

The Division advises that there will be no reduction-in-force as a result of this action. The Department asks that it be authorized to delete 97 FTE positions immediately and 6 additional FTE positions January 1, 1987.

BOARD ACTION REQUESTED:

Approve the Department of Mental Retardation request to transfer \$1,221,574 from personal service funds to other operating expenses and to delete 103 associated FTE positions (97 immediately and 6 January 1, 1987).

ATTACHMENTS:

Agenda item worksheet and attachments

04271

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

Meeting Scheduled for: October 21, 1986 Regular Agenda 87-29

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barm Holmes IV

2. Subject:

Department of Mental Retardation's request to transfer Personal Service funds to Other Operating Expenses and to Delete the Associated FTEs.

3. Summary Background Information:

The Department of Mental Retardation requests authorization to transfer \$1,221,574 from Personal Service funds to Other Operating Expense and the deletion of (103.00) associated FTE positions. The Department has moved toward using contractual arrangement to provide Food Services and Laundry Services at Coastal Center, Laundry Services at Whitten Center and to convert Department operated Community Residences throughout the State. There will be no RIF associated with this request. The Department is requesting deletion of (97.00) FTEs immediately and (6.00) additional FTEs to be deleted January 1, 1987.

4. What is Board asked to do?

Approve the transfer of \$1,221,574 from Personal Service Funds to Other Operating Expense and the deletion of the one hundred and three (103.00) associated FTE positions. There will be no RIF of personnel.

5. What is recommendation of Board Division involved?

Specifically approve this request

David L. Ault

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

1. Letter, DMR dated 9/29/86
2. Request to delete FTEs
3. Appropriation Transfer at 6/13/87

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

04272

REQUEST TO DELETE AUTHORIZED FTE POSITIONS

FROM: S. C. Department of Mental Retardation

DATE 10/14/86

CODE NO. J16

TO: Budget and Control Board  
State Budget Division

SUBJECT: Request to delete FTE positions authorized in the Appropriation Act.  
Request is to delete 103 FTE positions as follows:

NUMBER POSITIONS	POSITION TITLE	GRADE	CLASS CODE	ANNUAL SALARY	SOURCE OF FUNDS (PERCENT)		
					STATE	FEDERAL	OTHER
3	LPN I	19	4001	12,765	100%		
1	LPN II	21	4002	13,806	100%		
4	Com. Res. Mgr. I	22	5221	14,359	100%		
1	Com. Res. Mgr. II	25	5222	16,151	100%		
10	Ment. Retard. Spec. A	15	5472	10,911	100%		
7	Ment. Retard. Spec. A	15	5472	10,911			100%
26	Ment. Retard. Spec. B	17	5473	11,800	100%		
3	Ment. Retard. Spec. B	17	5473	11,800			100%
1	Linen Handler	10	7518	6,968	100%		
1	Laundry Wkr. I	10	7544	6,968	100%		
12	Laundry Wkr. II	11	7546	9,326	100%		
14	Laundry Wkr. III	12	7548	9,700	100%		

(CONTINUED)

REQUEST JUSTIFICATION: WILL THERE BE A RIF OF EMPLOYEES?

REQUESTED BY: Joe Clark

Deputy Commissioner, Fiscal Affairs

DATE: 10/14/86

STATE BUDGET DIVISION:

RECOMMEND:

☒ APPROVAL

☐ DISAPPROVAL

David L. Sub  
State Budget Analyst

10/10/86  
Date

Robert T. Cantrell  
Assistant Director  
State Budget Division

10/16/86  
Date

Budget & Control Board Action:

04273



REQUEST TO DELETE AUTHORIZED FTE POSITIONS (Con't.)

NUMBER POSITIONS	POSITION TITLE	GRADE	CLASS CODE	ANNUAL SALARY	STATE	SOURCE OF FUNDS (PERCENT)	
						FEDERAL	OTHER
1	Laundry Wkr. III	12	7548	9,700			100%
1	Laundry Supv. II	14	7551	10,490	100%		
1	Laundry Supv. II	14	7551	10,490			100%
1	Asst. Laundry Mgr.	20	7558	13,276	100%		
2	Laundry Supv. I	13	7561	10,088	100%		
1	Laundry Mgr. II	25	7562	16,151	100%		
1	Dir. of Laundry Srvs.	32	7568	21,257	100%		
1	Cook I	12	7622	9,700	100%		
1	Food Svc. Aide I	10	7642	6,968	100%		
2	Food Svc. Aide II	11	7643	9,326	100%		
1	Food Svc. Dir. II	30	7662	19,652	100%		
1	Vehicle Oper. II	14	7827	10,490	100%		

The following are to be deleted 01/01/87:

1	LPN II	21	4002	13,806	100%		
1	LPN II	21	4002	13,806			100%
4	Ment. Retard. Spec. B	17	5473	11,800	100%		

04274

AGENCY NUMBER **J16** AGENCY BATCH NUMBER **092901** OBJECT CODE HASH TOTAL **4332** TOTAL BATCH AMOUNT **2,443,148.00** BATCH DATE **9/29/86** BATCH NUMBER **CG WARRANT NUMBER** DOCUMENT

AGENCY VOUCHER NUMBER  
**ATB-13-87**

AGENCY TRANSFERRED TO (CIR)  
NAME **S. C. Dept. of Mental Retardation**  
ADDRESS  
**P. O. Box 4706**  
**Columbia, SC 29240**

# STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

## APPROPRIATION TRANSFER

### TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM (CIR)  
NAME **S. C. Dept. of Mental Retardation**  
ADDRESS  
**P. O. Box 4706**  
**Columbia, SC 29240**

REASON FOR TRANSFER: See Attached

### FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	MOD	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
03	350	J16	0601	1001						0158	423,211.00	
03	350	J16	1446	1001						1300	84,642.00	
03	350	J16	0601	3000						0158	36,809.00	
03	350	J16	1446	3000						1300	7,362.00	
03	350	J16	0604	1001						0158	494,628.00	
03	350	J16	0604	3000						0158	174,922.00	
TOTAL										3232	1,221,574.00	

### TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	MOD	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
03	300	J16	0601	1001						0200	507,853.00	
03	300	J16	0601	3000						0200	20,173.00	
03	300	J16	0601	3000						0300	23,998.00	
03	300	J16	0604	1001						0200	494,628.00	
03	300	J16	0604	3000						0200	174,922.00	
TOTAL										1100	1,221,574.00	

REQUESTED BY *Edith W. Buford* DATE 9/29/86 STATE BUDGET ANALYST \_\_\_\_\_ DATE \_\_\_\_\_

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

Charles D. Barnett, Ph.D.  
Commissioner

Philip S. Massey, Ph.D.  
Deputy Commissioner  
Client Services

Lonnie A. Bowman, Jr.  
Deputy Commissioner  
Support Services

James E. Kirk  
Deputy Commissioner  
Fiscal Affairs



MENTAL RETARDATION  
COMMISSION

Clarence H. Buurman, Ph.D., Chairman  
Melvin L. Burton, Jr., Vice Chairman  
Mrs. Doris G. Woods, Secretary  
Mrs. Mary C. Ramsay  
William deB. Mebane  
Mrs. Ava M. Hope  
Herbert Rudnick

*South Carolina Department of Mental Retardation*

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

September 29, 1986

Mr. David Anderson  
State Budget Analyst  
State Budget Division  
Budget and Control Board  
406 Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Dave:

We are forwarding the attached Appropriation Transfer, ATB-13-87, for your review and approval. This transfer is the result of the agency's efforts to contract more of its services to private providers when this proves to be more efficient and cost effective.

The transfer of Services Support Program's (Mini Code 0601) State and Other Classified Positions funding, along with the resulting Employer Contributions, to Contractual Services and Supplies is required in order to cover food and laundry contracts at the Coastal Center and a laundry contract at Whitten. The two centers have been able to contract these services at reduced costs while achieving more efficient services. The food service contract at the Coastal Center is with Morrisons' which utilizes a reduced Coastal Food Service staff and performs the food preparation at the regional center.

The two laundry contracts have been let to National Linen, following appropriate purchasing procedures. The agency has been able to reduce the need for 43 FTE's (41 State, 2 Other) as a result of these changes in service delivery. The salary figures for the 27 FTE's related to the Whitten Laundry have been prorated for 10 months since the contract was effective September 1, 1986. No RIF has occurred, and all employees have been offered other comparable vacant positions within each region. The Supplies increase is needed to cover increased laundry supply needs within the dorms at Whitten Center where the clients' personal laundry will be cleaned now that the campus laundry has been closed.

04276

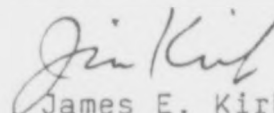
Mr. David Anderson  
September 29, 1986  
Page 2

The transfer of Community Program's (Mini Code 0604) State and Other Classified Positions funding to Contractual Services is required to fund contracts with providers for operation of 10 community residences this fiscal year. Nine of the 10 residences will remain DMR owned but operated by a contractor at lower costs than the agency's. The tenth is Timberlane which will be sold in accordance with a proviso in the current appropriations act. Timberlane will only require expenditure by DMR for state match since the new owner will contract directly with Health and Human Services Finance Commission for Medicaid reimbursement. This will result in DMR's being able to reduce 60 FTE's (48 State, 12 Other). Of these, 6 FTE's (5 State, 1 Other) will not be available for reduction until January 1, 1987, when the Timberlane sale is completed.

Every community residence employee has been offered a job with the contractor taking over a residence or, if this has presented a problem, has been offered a comparable position within the respective region. No RIF will occur as a result of these changes. Later this fiscal year the agency may be able to contract three additional residences in the Coastal Region.

If you should have any questions or you should need further information, please call.

Sincerely,



James E. Kirk  
Deputy Commissioner,  
Fiscal Affairs

JEK/dsc

Attachment

cc: Dr. Charles D. Barnett  
Mr. Robert W. Barfield  
Mr. Wayne Blanton

04277



REQUEST TO DELETE AUTHORIZED FTE POSITIONS (Con't.)

NUMBER POSITIONS	POSITION TITLE	GRADE	CLASS CODE	ANNUAL SALARY	STATE	SOURCE OF FUNDS (PERCENT)	
						FEDERAL	OTHER
1	Laundry Wkr. III	12	7548	9,700			100%
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04278

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Commissioner

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Herbert Rudnick

*South Carolina Department of Mental Retardation*

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

September 29, 1986

EXHIBIT

OCT 21 1986

NO. 11

STATE BUDGET & CONTROL BOARD

Mr. David Anderson  
State Budget Analyst  
State Budget Division  
Budget and Control Board  
406 Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Dave:

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The transfer of Services Support Program's (Mini Code 0601) State and Other Classified Positions funding, along with the resulting Employer Contributions, to Contractual Services and Supplies is required in order to cover food and laundry contracts at the Coastal Center and a laundry contract at Whitten. The two centers have been able to contract these services at reduced costs while achieving more efficient services. The food service contract at the Coastal Center is with Morrisons' which utilizes a reduced Coastal Food Service staff and performs the food preparation at the regional center.

The two laundry contracts have been let to National Linen, following appropriate purchasing procedures. The agency has been able to reduce the need for 43 FTE's (41 State, 2 Other) as a result of these changes in service delivery. The salary figures for the 27 FTE's related to the Whitten Laundry have been prorated for 10 months since the contract was effective September 1, 1986. No RIF has occurred, and all employees have been offered other comparable vacant positions within each region. The Supplies increase is needed to cover increased laundry supply needs within the dorms at Whitten Center where the clients' personal laundry will be cleaned now that the campus laundry has been closed.

04279

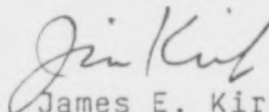
Mr. David Anderson  
September 29, 1986  
Page 2

The transfer of Community Program's (Mini Code 0604) State and Other Classified Positions funding to Contractual Services is required to fund contracts with providers for operation of 10 community residences this fiscal year. Nine of the 10 residences will remain DMR owned but operated by a contractor at lower costs than the agency's. The tenth is Timberlane which will be sold in accordance with a proviso in the current appropriations act. Timberlane will only require expenditure by DMR for state match since the new owner will contract directly with Health and Human Services Finance Commission for Medicaid reimbursement. This will result in DMR's being able to reduce 60 FTE's (48 State, 12 Other). Of these, 6 FTE's (5 State, 1 Other) will not be available for reduction until January 1, 1987, when the Timberlane sale is completed.

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If you should have any questions or you should need further information, please call.

Sincerely,



James E. Kirk  
Deputy Commissioner,  
Fiscal Affairs

JEK/dsc

Attachment

cc: Dr. Charles D. Barnett  
Mr. Robert W. Barfield  
Mr. Wayne Blanton

04280

AGENCY NUMBER <b>J16</b>	AGENCY BATCH NUMBER <b>092901</b>	OBJECT CODE HASH TOTAL <b>4332</b>	TOTAL BATCH AMOUNT <b>2,443,148.00</b>	BATCH DATE <b>9/29/86</b>	BATCH NUMBER	DOCUME
-----------------------------	--------------------------------------	---------------------------------------	---	------------------------------	--------------	--------

AGENCY VOUCHER NUMBER

**ATB-13-87**

AGENCY TRANSFERRED TO (CRI)

NAME **S. C. Dept. of  
Mental Retardation**

ADDRESS

**P. O. Box 4706**

**Columbia, SC 29240**

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

### APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM ID

NAME **S. C. Dept. of  
Mental Retardation**

ADDRESS

**P. O. Box 4706**

**Columbia, SC 29240**

REASON FOR TRANSFER: See Attached

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
03	350	J16	0601	1001						0158	423,211.00	
03	350	J16	1446	1001						1300	84,642.00	
03	350	J16	0601	3000						0158	36,809.00	
03	350	J16	1446	3000						1300	7,362.00	
03	350	J16	0604	1001						0158	494,628.00	
03	350	J16	0604	3000						0158	174,922.00	
TOTAL										3232	1,221,574.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
03	300	J16	0601	1001						0200	507,853.00	
03	300	J16	0601	3000						0200	20,173.00	
03	300	J16	0601	3000						0300	23,998.00	
03	300	J16	0604	1001						0200	494,628.00	
03	300	J16	0604	3000						0200	174,922.00	
TOTAL										1100	1,221,574.00	

REQUESTED BY *R. W. Bayfield* DATE 9/29/86 STATE BUDGET ANALYST \_\_\_\_\_ DATE \_\_\_\_\_

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.



# EXHIBIT

OCT 21 1986

NO. 12

STATE BUDGET & CONTROL BOARD  
STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986  
REGULAR SESSION  
ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: Civil Contingent Fund Request, Sentencing & Guidelines Commission

The Budget Division advises that the Sentencing and Guidelines Commission discontinued operations as of June 30, 1986. One agency employee remained to handle the administrative and operational requirements of an orderly closing.

The Commission requests \$1,541.67 from the Civil Contingent Fund to pay the following costs of closing the agency:

\$1,102.67	Ms. Causey (84 hours @ \$11.40/hr. includes E/C)
139.00	Telephone expenses
<u>300.00</u>	Printing final report
\$1,541.67	Total

The Budget Division recommends approval of the request.

BOARD ACTION REQUESTED:

Allocate \$1,541.67 from the Civil Contingent Fund to the Sentencing and Guidelines Commission to pay costs incurred in closing the agency.

ATTACHMENTS:

Agenda item worksheet and attachments

04282

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

Meeting Scheduled for: October 21, 1986 Regular Agenda 87-30

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barm Holmes IV

2. Subject:

Sentencing & Guidelines Commission request for a Civil Contingent Fund Allocation.

3. Summary Background Information:

The Sentencing and Guidelines Commission discontinued operations as of June 30, 1986. To complete a orderly shut down, one agency employee remained on board to handle the administrative and operational requirements for closing. The employee has completed the required duties and is seeking funds to pay closing costs. A Civil Contingent Fund allocation in the amount of \$1,541.67 is requested to meet this cost.

4. What is Board asked to do?

Approve a Civil Contingent Fund allocation of \$1,541.67 to pay the Sentencing & Guidelines Commission's closing costs.

5. What is recommendation of Board Division involved?

Recommend Approval

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter and Supporting Documents
2. Staff Recommendation

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

04283

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
COLUMBIA, S.C. 29201

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



A. BARON HOLMES, IV, Ph.D.  
DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

EXHIBIT

OCT 21 1986 NO. 12

STATE BUDGET & CONTROL BOARD

TO: A. Baron Holmes, IV., Ph.D.  
Director, State Budget Division

FROM: Jones G. Herring *JGH*  
State Budget Analyst

SUBJECT: Sentencing and Guidelines Commission

DATE: October 14, 1986

As you are aware, the Sentencing and Guidelines Commission was eliminated in the FY 86-87 Appropriations Act. However, this was not a true elimination, due to the fact that an Agency can not be excepted to completely shut down on such short notice that, in this case, was given to this Agency. It was necessary for a person to ensure all accounts were closed out, financial documents prepared, storing of required documents, distributing furniture, and other necessary requirements.

Since the Agency had no funds to provide for this employment, the former Administrative Assistant, Kathleen Causey, who as of July 1, 1986 had taken a position with the Department of Parole and Community Corrections provided this needed service on her own time.

Now that all requirements have been met, I request that the Budget and Control Board allocate the necessary monies from its Civil Contingency Fund to pay for Ms. Causey's services and the other related expenses needed for the final closing of this agency.

The following list is the necessary funds to complete the closing of this Agency:

04284

# EXHIBIT

Sentencing and Guidelines  
Page 2

OCT 21 1986 NO. 12

STATE BUDGET & CONTROL BOARD

Ms. Causey	\$1,102.67	(84 hours X \$11.40 per hour includes E/C)
IRM	139.00	(Telephone Expenses)
IRM Printing	<u>300.00</u>	(Printing final report)
Total	<u>\$1,541.67</u>	

General Services will not receive any monies for rent and IRM will not receive any monies for installation of telephone system or cost of local services.

Enclosed are the supporting documents for the above request.

Enclosures

04285



South Carolina Department of Parole and Community Corrections

HON. MARION BEASLEY  
CHAIRMAN  
DISTRICT FOUR

HON. RHETT JACKSON  
SECRETARY  
DISTRICT TWO

HON. JOHN E. HUSS, D.D.  
DISTRICT ONE

HON. DR. JERRY M. NEAL  
DISTRICT THREE



FRANK B. SANDERS  
EXECUTIVE DIRECTOR

GRADY A. WALLACE  
COMMISSIONER

HON. H. L. LACKEY  
VICE CHAIRMAN  
MEMBER-AT-LARGE

HON. LEE R. CATHCART  
DISTRICT FIVE

HON. WALTER N. LAWSON  
DISTRICT SIX

ADDRESS: 2221 DEVINE STREET  
P. O. BOX 50666  
COLUMBIA S. C. 29250

September 29, 1986

RECEIVED  
OCT 1 1986  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

Mr. Jesse A. Coles, Jr.  
Executive Director  
Budget and Control Board  
612 Wade Hampton Office Building  
P. O. Box 12444  
Columbia, S.C. 29211

Dear Mr. Coles:

On July 1, 1986, the Sentence Guidelines Commission discontinued operations as a budgeted state agency. As the agency's former director I am writing on behalf of a former employee, concerning her employment after July 1, 1986.

Mrs. Causey continued to work part-time for the commission after July 1, 1986, to ensure all accounts were closed out, documents properly taken care of, furniture redistributed, final audit closed out, and other matters resulting from the shutting down of an agency. This employment was based on an understanding between the budget analysis and Mrs. Causey. Now, however, payment has not been made since all of the commissions funds were turned in.

Mr. Herring, our budget analysis, has advised that compensation be sought through the Budget and Control Board's Contingency Funds. I am seeking your assistance and advise on what steps need to be taken to compensate Mrs. Causey for her service during the period the commission was shut down.

Sincerely,

G. Anderson Surles  
Chief Parole Examiner

(GAS:sam)

04286

September 25, 1986

Mr. G. Anderson Surles, Former Executive Director  
SC Sentencing Guidelines Commission  
2221 Devine Street, Suite 409  
Post Office Box 50007  
Columbia, SC 29250

Dear Mr. Surles:

In response to your request for information concerning my dual employment with the South Carolina Sentencing Guidelines Commission, enclosed please find four time sheets which cover the period I worked for the Commission from July 1, 1986 through August 31, 1986. A total of 84 hours, totaling \$1102.67 (including .1515 for employee benefits) was accomplished at a rate of \$11.40 per hour.

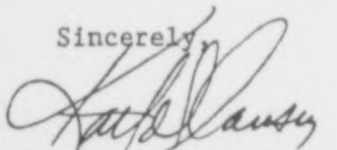
During the month of May, before agency operations were curtailed, I spoke with our budget analyst, Jones Herring, regarding the Commission's closure. I informed him, at that time, that many operations of the Commission would not be curtailed until sometime in August and inquired as to whether there would be any problem with payment for subsequent billings received after June 30, 1986, office space rental, leased equipment, dual employment payments, etc. I was informed by Mr. Herring payment for these items would be no problem and that as far as my dual employment, it was my responsibility to ensure the agency wrap-up procedures were accomplished, that all bills were paid, equipment transferred or returned, files boxed and delivered to appropriate agencies, etc. and that necessary funding could be provided through the civil contingency fund.

Acting on that information, I arranged for furniture transfers to both the Department of Parole and Community Corrections and the State Reorganization Commission, kept up with mail and agency accounting, served as contact person for FY 84-85 audit, and satisfied various information requests regarding the Commission's work. Files have been sorted, boxed and discarded in accordance with State Archives disposition schedules and all administrative matters were attended to as necessary. Had I not been available to assume these responsibilities, much pertinent agency and criminal justice information may have been misplaced, discarded or unavailable for audit and many administrative or operations matters would not have been attended to.

I am, therefore, requesting that my time expended during the wrap-up of Commission operations be reviewed and that I be compensated in accordance with my original agreement with Mr. Herring.

If you have any questions regarding this matter, or need any additional information, please feel free to contact me.

Sincerely,

  
Kathleen D. Causey

04287

Enc.

TIME SHEET

Intern: Kathy Causey

Week of: 7/2/86 - 7/16/86

~~SECRET~~

Payment Cancelled  
PER VIC Traywick,  
Contractor's Office.

DATE	HOURS WORKED	TASKS COMPLETED	
7/2/86	8:00 - 8:30 5:00 - 8:00	Packing up, mail, menu S.C. Report	3.5
7/3/86	7:30 - 11:00	Packing up, S.C. report mail	3.5
7/7/86	8:00 - 8:30 5:00 - 6:00	S.C. report	1.5
7/8/86	8:00 - 8:30 5:00 - 8:00	mail, insurance, packing up IDTS	3.5
7/9/86	8:00 - 8:30 5:00 - 7:30	IDTS, MAIL, S.C. REPORT	3
7/10/86	8:00 - 8:30 5:00 - 7:00	S.C. REPORT, IDTS, MAIL UP REPORT	2.5
7/11/86	8:00 - 8:30 5:00 - 7:00	S.C. REPORT, MAIL, IDT	2.5
7/14/86	8:00 - 8:30 5:00 - 8:00	CLEAN UP, ORGANIZING, S.C. TRANSFER OF FURNITURE	3.5
7/15/86	8:00 - 8:30 5:00 - 8:00	OFFICE CLEANUP, MAIL	3.5
7/16/86	8:00 - 8:30 5:00 - 8:00	ACCOUNTING, CORRESPONDENCE MAIL	3.5
			30.5

04288

Signed: Kathy Causey

Approved: \_\_\_\_\_

TIME SHEET

Intern: Kathy Causey

Week of: 7-17-86 to 8-1-86

DATE	HOURS WORKED	TASKS COMPLETED	
7/17/86	8:00-8:30 5:00-7:00	FILES, MAIL	2.5
7/18/86	8:00-8:30 5:00-8:00	MAIL, Payroll Pick up, DROPPED OFF ANSWERING MACHINE	3.5
7/19/86	12:00-5:00	VOUCHERS, IDT'S, MAIL SEC REPORT FINALIZATION	5
7/21/86	8:00-8:30 5:00-7:00	ACCOUNTING, MAIL	2.5
7/22/86	8:00-8:30 5:00-6:00	MAIL, VOUCHERS	1.5
7/23/86	8:00-8:30 5:00-7:00	ACCOUNTING, MAIL, FILES	2.5
7/24/86	8:00-8:30 5:00-8:00	VOUCHERS, IDT'S DROPPED OFF ACCOUNTING, MAIL, DU DE FORM, INQUIRY FOR CEB CONCERNING TERMINATION	3.5
7/25/86	8:00-8:30 5:00-8:00	DUAL EMPLOYMENT FORM, MAIL ACCOUNTING	3.5
7/28/86	8:00-8:30 5:00-7:00	MAIL, VOUCHERS, SEC REPORT. FILING.	2.5
7/29/86	8:00-8:30 5:00-6:00	FILING, VOUCHERS.	4
7/30/86	8:00-8:30 2:00-3:00	AUDIT	
7/31/86	5:00-6:00	IDT SIGNATURE - CEB OFFICE	
8/1/86	8:00-8:30	MAIL, AUDIT	.5
			<u>31.5</u>

04289

Signed: \_\_\_\_\_

Approved: \_\_\_\_\_



TIME SHEET

Intern: Kathy Causey  
 Week of: 8/2/86 - 8/16/86

DATE	HOURS WORKED	TASKS COMPLETED	
8/4/86	8:00 - 8:30	MAIL	
8/5/86	8:00 - 8:30	MAIL, AUDIT QUESTIONS	.5
8/6/86	12:00 - 1:00 5:00 - 6:00	MAIL, DROPPED FINAL REPORT TO PRINTER C&S OFC, ACCOUNTING	2
8/7/86	8:00 - 8:30	MAIL, AUDIT QUESTIONS	.5
8/8/86	8:00 - 8:30 5:30 - 7:00	AUDIT CLEANUP OFFICE	2
8/9/86	12:00 - 3:00	CLEANUP OFFICE, TRASH, MAIL	3
8/11/86	8:00 - 8:30 5:00 - 7:00	ACCOUNTING, STRAIGHTEN FILES MAIL	1.5
8/12/86	8:00 - 8:30	MAIL	.5
8/13/86	8:00 - 8:30	TELEPHONE CALLS, <del>FOR</del> OFFICE SUPPLIES MOVED	2
8/14/86	8:00 - 8:30 5:00 - 6:00	ACCOUNTING, MAIL	
8/15/86	8:00 - 8:30 5:00 - 5:30	TELEPHONE CALLS MAIL, PACK UP	1 13.

Signed: \_\_\_\_\_

Approved: \_\_\_\_\_

04290

75.5  
13.

TIME SHEET

Intern: KATHY CAUSEY

Week of: 8/17/86 - 9/1/86

DATE	HOURS WORKED	TASKS COMPLETED	
8/18/86	<del>8:00-8:30</del> 12:00 - 1:00	MAIL, Post office, Phone Calls	1.5
8/20/86	8:00 - 8:30	MAIL, PACK UP	.5
8/22/86	8:00 - 8:30	MAIL, ACCOUNTING	.5
8/25/86	8:00 - 8:30 5:00 - 6:00	MAIL FILING	1.5
8/27/86	8:00 - 8:30 5:00 - 6:00	MAIL PACK UP, FILING	1.5
8/31/86	2:00 - 5:00	PACK UP	3

EXHIBIT  
OCT 21 1986  
NO. 12  
STATE BUDGET & CONTROL BOARD

04291

Signed: \_\_\_\_\_

Approved: \_\_\_\_\_

DIVISION OF GENERAL SERVICES  
RENTAL CHANGE FORM

DATE: September 16, 1986

AGENCY: Sentencing and Guidelines  
2221 Devine Street  
ADDRESS: Columbia, SC

**EXHIBIT**

OCT 21 1986

NO. 12

STATE BUDGET & CONTROL BOARD

The above agency acknowledges the following changes by the Division of General Services in space allocation:

ALLOCATION OF THE FOLLOWING ADDITIONAL SPACE	RESCISSION OF THE FOLLOWING SPACE
	1080 square feet
EFFECTIVE DATE: September 12, 1986	

REMARKS: Total rent due for this fiscal year will be from July 1, 1986 through September 12, 1986.

*Agency Not authorized  
after June 30, 1986*

\_\_\_\_\_  
AGENCY AUTHORIZED SIGNATURE

*For b7c Bd*

\_\_\_\_\_  
GENERAL SERVICE'S AUTHORIZED SIGNATURE

*[Signature]*

*9/23/86*

**04292**

Budget and Control Board, Office of Executive Director  
CIVIL CONTINGENT FUND - 86-87

Fund Status Report at October 21, 1986

Appropriations:		
General	\$	\$494,624.00

Transfers:

Governor's Ofc Exec Policy and Pgms/CETA 75-76 Claim	37,523.00	
BCB/DRSS/Board of Economic Advisors	21,110.00	
Water Resources Commission	<u>83,900.00</u>	
		\$142,533.00

Direct Expenditures:

Budget and Control Board Meetings	1,564.26	
Board of Economic Advisors	390.00	
Construction Advisory Committee	277.76	
Governor's Youth Advisory Council	1,754.75	
Florence Crittenton Programs	<u>12,500.00</u>	
		\$16,486.77

Encumbrances:

Budget and Control Board Meetings	2,435.74	
BCB, OED, Microfilming, Binding Board Minutes	2,000.00	
Retirement/Preretirement Advisory Council	350.00	
Construction Advisory Council	322.24	
Governor's Youth Advisory Council Meetings	2,245.25	
Study Committee/Hunger and Nutrition	2,501.00	
NASBO Regional Meeting, SC Host	9,611.00	
Clemson University/Fire Ant Research	30,000.00	
Catawba Indian Suit/Legal Fees	125,000.00	
Commission on Women	6,000.00	
Board of Examiners, LPC, AC, M&FT*	<u>23,140.00</u>	
		\$203,605.23

YTD Encumbered (Trans, Expend and Encumb):		\$362,625.00
--	--	--------------

\*\*\*\*\*

Year-to-date Disbursement:	\$159,019.77
Balance (Cash available at 10/21/86):	\$335,604.23
Balance Unencumbered (Total Available):	\$131,999.00

EXHIBIT  
OCT 21 1986 NO. 12  
STATE BUDGET & CONTROL BOARD

04293

\*Licensed Professional Counselors, Associate Counselors, Marital and Family Therapists



# EXHIBIT

OCT 21 1986

NO. 13

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION

ITEM NUMBER

7

AGENCY: Budget Division

SUBJECT: Actuarial Examination of Workers' Compensation Fund

At the August 13 meeting, the Board authorized the Budget Division to employ an actuarial firm

- (a) to determine the amount of the outstanding liability against the Workers' Compensation Fund prior to July 1, 1985;
- (b) to determine the adequacy of the current premium structure to cover Fund operations, pay current claims and provide adequate reserves; and
- (c) to examine the need for an annual actuarial audit of the Fund.

The Board action limited the cost of this work, which is to be paid by the Fund, to \$30,000.

Budget Division staff now advise, after receiving proposals, that the cost of the work authorized is considerably higher than the \$30,000 limit set by the Board. They ask that the limit be increased to not exceeding \$50,000.

BOARD ACTION REQUESTED:

Approve the payment of not to exceed \$50,000 from the Workers' Compensation Fund for an actuarial examination of the Fund.

ATTACHMENTS:

04294

# EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET AND CONTROL BOARD  
STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
MEETING OF October 21, 1986  
ITEM NUMBER

8

AGENCY: Local Government

SUBJECT: Grant Requests

The Division of Local Government recommends approval of the following rural improvement fund grant requests:

- (a) Town of Lincolnville, \$39,000 to assist in constructing a wastewater collection system. The funds will match a Community Development Block Grant of \$368,100 and an Economic Development Administration grant of \$486,000 ( $\frac{1}{2}$  Senate;  $\frac{1}{2}$  House).
- (b) Spartanburg County, \$40,000 on behalf of the Meansville-Riley Road Water Company to extend water lines along with necessary appurtenances to provide residents in the Whispering Pines area with a dependable supply of potable water (Senate funds).

BOARD ACTION REQUESTED:

Approve the following rural improvement funds grants: (a) Town of Lincolnville, \$39,000; and (b) Spartanburg County, \$40,000 on behalf of the Meansville-Riley Road Water Company.

ATTACHMENTS:

Agenda item worksheets and attachments

04295

OCT 15 1986

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

September 21, 1986

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By: B&amp;C BD--Local Government

(a) Agency: \_\_\_\_\_

(b) Authorized Official Signature: M. D. Dilledge

2. Subject: Request by the Town Lincolnvile (Charleston County)

3. Summary Background Information:

The town of Lincolnvile is requesting \$39,000 in Rural Improvement Funds to assist in the construction of a wastewater collection system. These funds will match a Community Development Block Grant of \$368,100 and an Economic Development Administration grant of \$486,000.

(1/2 Senate Funds, 1/2 House Funds)

EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET &amp; CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_

Authorized

(b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from SubmitterApplication and supporting  
documents

04296

# EXHIBIT

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

OCT 21 1986

NO. 14

STATE BUDGET & CONTROL BOARD

## APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT Spartanburg County  
Meansville-Riley Road Water Company  
STREET ADDRESS Post Office Box 823  
CITY OR TOWN Union STATE SC ZIP 29379

Application must be completed in full. Submit original and one copy.

Description of Project: Construction of 12,500 L.F. of 6-inch water line, 3,300 L.F. of 4-inch water line, 4,600 L.F. of 3-inch water line, 5,840 L.F. of 2-inch water line along with necessary appurtenances to serve approximately 82 homes in the Whispering Pines area located in Spartanburg County.

Anticipated Results of Projects: To provide clean, potable water to this area which is unable to find water by drilling private wells. Most residents have drilled wells and are unable to find potable water on their property or have wells that are going dry. No new development is anticipated in this area.

Source of Funding (Federal, State, Local, Private donations, etc...)

# EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET & CONTROL BOARD

04297



Anticipated Expenditures (IN DETAIL)

Construction	\$146,455.00
Engineering	11,732.00
Inspection	10,268.00
Legal	1,500.00
Contingencies	14,600.00
	<u>\$184,555.00</u>

-----  
If approved, when will you need the funds? Date: November 1986 \$ 40,000.00

House Funds \$ \_\_\_\_\_

Senate Funds \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

-----  
General Information

A. Unencumbered General Fund Balance \_\_\_\_\_ ?

B. How often is the applicant audited? Annually

C. What period was covered by the last audit? 1985-1986

D. What audit procedures will apply to Rural Improvement funds? \_\_\_\_\_

E. Name and Title of individual responsible for administration of Grant:  
Mr. Herman Lawson Title President, Meansville Riley Road Water Co.

-----  
Approved by:

(Legislative Approval)

[Signature]

[Signature]

-----  
Organization Meansville-Riley Road Water Company

Authorized Signature Herman Lawson Title President  
Mr. Herman Lawson

Phone 803/427-5832 Office Date 9-23-1986  
803/427-2934 Home

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

04298

OCT 8 1986

# EXHIBIT

W. K. DICKSON & CO., INC.

OCT 21 1986

NO. 14

STATE BUDGET & CONTROL BOARD

## MEANSVILLE-RILEY ROAD WATER COMPANY WHISPERING PINES AREA COST ESTIMATE

SEPTEMBER 10, 1986

<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Cost</u>	<u>Amount</u>
1. 6" P.V.C., CL 200	12,440	LF	\$ 4.50	\$55,980.00
2. 4" P.V.C., CL 200	3,300	LF	3.50	11,550.00
3. 3" P.V.C., CL 200	4,600	LF	3.00	13,800.00
4. 2" P.V.C., CL 200	5,840	LF	2.75	16,060.00
5. 6" Gate Valves	10	EA	350.00	3,500.00
6. 4" Gate Valves	2	EA	300.00	600.00
7. 3" Gate Valves	3	EA	250.00	750.00
8. 2" Gate Valves	6	EA	225.00	1,350.00
9. Blow-Offs for 2" Line	5	EA	300.00	1,500.00
10. Blow-Offs for 6" Line	1	EA	400.00	400.00
11. Tie-Ins	2	EA	500.00	1,000.00
12. 10" Steel Encasement by Bore	180	LF	45.00	8,100.00
13. Replace Asphalt	420	LF	7.00	2,940.00
14. Replace Concrete	25	LF	9.00	225.00
15. 3/4" Service Connections	82	EA	350.00	<u>28,700.00</u>
Total Estimated Construction Cost				\$146,455.00
Engineering				11,732.00
Inspection				10,268.00
Legal				1,500.00
Contingencies				<u>14,600.00</u>
Total Estimated Project Cost				\$184,555.00

04299

OCT 15 1986

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

September 21, 1986

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&amp;C BD--Local Government

(b) Authorized Official Signature:

*M. S. Dilledge*

2. Subject:

Request by Spartanburg County on behalf of the Meansville-Riley Road Water Company

3. Summary Background Information:

Spartanburg County is requesting \$40,000 in Rural Improvement Funds on behalf of the Meansville-Riley Road Water Company. The purpose of the project is to extend water lines along with necessary appurtenances in order to provide residents in the Whispering Pines area with a dependable supply of potable water.

(Senate Funds)

EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET &amp; CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

Attached application

04300

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT TOWN OF LINCOLNVILLE  
STREET ADDRESS P O BOX 536/141 WEST BROAD STREET  
CITY OR TOWN LINCOLNVILLE STATE SC ZIP 29484

Application must be completed in full. Submit original and one copy.

-----  
Description of Project:

WASTEWATER COLLECTION SYSTEM FOR THE TOWN OF LINCOLNVILLE

EXHIBIT  
OCT 21 1986 NO. 14  
STATE BUDGET & CONTROL BOARD

-----  
Anticipated Results of Projects:

THE TOTAL POPULATION OF LINCOLNVILLE WILL HAVE SEWERAGE

-----  
Source of Funding (Federal, State, Local, Private donations, etc...)

EDA	\$486,236
STATE CDBG	368,100

043C1



Anticipated Expenditures (IN DETAIL)

CONSTRUCTION  
ADMINISTRATION  
ENGINEERS

-----  
If approved, when will you need the funds? Date: AUGUST 1, 1986 \$ 39,000

House Funds \$ N/A

Senate Funds \$ N/A

TOTAL \$ N/A  
-----

General Information

A. Unencumbered General Fund Balance N/A

B. How often is the applicant audited? ONCE A YEAR

C. What period was covered by the last audit? JULY 1, 1984-JUNE 30, 1985

D. What audit procedures will apply to Rural Improvement funds? OMB CIRCULAR A-128

E. Name and Title of individual responsible for administration of Grant:  
CHARLES ROSS Title MAYOR

-----  
Approved by:

(Legislative Approval)

*James J. McLaughlin*

Organization TOWN OF LINCOLNVILLE

Authorized Signature *Charles Ross* Title MAYOR

Phone (803) 873-3261 Date 7/14/86

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

04302

JUL 23 1986

JUL 23 1986

EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET & CONTROL BOARD



UNITED STATES DEPARTMENT OF COMMERCE  
The Assistant Secretary for Economic Development  
Washington, D.C. 20230

Project No. 04-01-03348

Offer Date: 29 AUG 1986

Public Works and Development Facilities

OFFER OF GRANT

Pursuant to its authority under the Public Works and Economic Development Act of 1965, as amended, (P. L. 89-136) and subject to the Special Conditions (Exhibit "A") and the Standard Terms and Conditions (Exhibit "B", dated October 1, 1978), both incorporated by reference herein, the Economic Development Administration, U. S. Department of Commerce (hereinafter the "Government"), offers a grant not to exceed \$486,000 to the Town of Lincolnvile, Charleston County, South Carolina (hereinafter the "Grantee") in order to aid in the construction or equipping of public works or development facilities presently estimated to cost \$810,000 and consisting of construction of a wastewater collection system (hereinafter the "Project") provided that in no event shall this grant exceed whichever is the lower of \$486,000 or 60 percent of the actual cost of the Project as determined by the Government.

This Offer, the Acceptance, the Special Conditions, and the Standard Terms and Conditions including any addenda, shall constitute the "Grant Agreement."

Acceptance of this Grant Offer must be returned to the Economic Development Administration prior to **29 SEP 1986**

ECONOMIC DEVELOPMENT ADMINISTRATION

By:

Orson G. Swindle, III

Assistant Secretary  
for Economic Development  
(Title)

The above Offer of Grant is hereby accepted.

Date: September 15, 1986

Town of Lincolnvile,  
South Carolina  
(Name of Grantee)

By:

Charles Ross, Mayor  
(Signature and Printed Name)

Mayor Charles Ross  
(Title of Accepting Official)

CERTIFICATION (By Official other than Accepting Official)

The person signing this Acceptance is so authorized by the Governing Body or Board of the recipient.

Sandra E. Lary  
(Signature)

Clerk Treasurer  
(Title of Certifying Official)

Sandra E Lary  
(Printed Name)

9/15/86  
(Date)

04303

OFFICE OF THE GOVERNOR  
Division of Community and Economic Affairs  
1205 Pendleton Street  
Columbia, South Carolina 29201

EXHIBIT

OCT 21 1986

NO. 14

STATE BUDGET & CONTROL BOARD

GRANT AWARD

Grantee: Town of Lincolnville

Date of Award: 07/01/86

Grant Title: Wastewater Collection System

Grant Period: 07/86 - 12/87

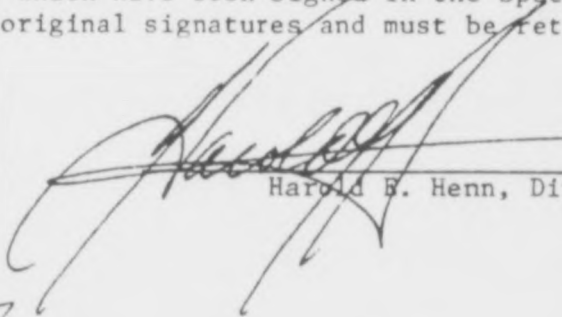
Grant No.: 86L12

Award Amount: \$368,100

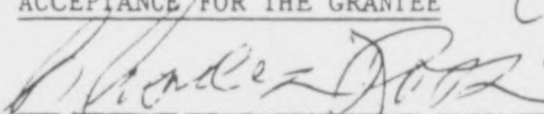
In accordance with the provisions of Title I of the Housing and Community Development Act of 1974 (P.L. 93-383), as amended through 1983, and on the basis of the grant application submitted, the Division of Community and Economic Affairs hereby awards to the above named Grantee a grant, in the amount shown above, for the projects specified in the application and within the purposes and categories authorized. The acceptance of this award creates a contract between the State of South Carolina and the Grantee legally binding the Grantee to carry out the activities set forth in the approved grant application in accordance with the terms and conditions of the Grant Agreement attached hereto and with the following special conditions.

EDA funds necessary to the project must be secured within 90 days of grant award.

This contract shall become effective, as of the date of award, upon return of two copies of this grant award which have been signed in the space provided below. Both copies must have original signatures and must be returned within 15 days from the date above.

  
Harold E. Henn, Director

ACCEPTANCE FOR THE GRANTEE

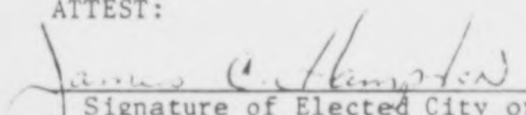
  
Signature of Official with sufficient legal authority  
to execute this contract for the Grantee

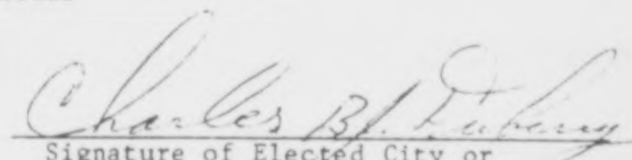
7/8/86

Date

Charles Ross, Mayor  
Typed Name and Title of Authorized Official

ATTEST:

  
Signature of Elected City or  
County Council Member, as appropriate

  
Signature of Elected City or  
County Council Member, as appropriate

04304

# EXHIBIT

OCT 21 1986

NO. 15

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION  
MEETING OF October 21, 1986 ITEM NUMBER

9

AGENCY: General Services

SUBJECT: Sale of North Charleston Armory

The Division of General Services advises that, in March 1982, the State entered into a contract with the City of North Charleston for the purchase of the North Charleston Armory for \$80,000 and a 15-acre parcel for the construction of a new armory.

The new armory is now complete, the Adjutant General has vacated the old armory, and the City of North Charleston has requested the conveyance of the property in accord with the 1982 contract.

BOARD ACTION REQUESTED:

Approve the conveyance of the Old North Charleston Armory to the City of North Charleston.

ATTACHMENTS:

Agenda item worksheet and attachment

04305



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

Blue Agenda

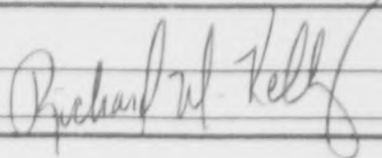
☒ Regular Session Agenda

Executive Session Agenda

October 21, 1986

1. Submitted By:

(a) Agency: General Services

(b) Authorized Official Signature: 

2. Subject:

Sale of North Charleston Armory

3. Summary Background Information:

In March 1982, the State entered into a contract with the City of North Charleston for the purchase of the North Charleston Armory by the City. The consideration is \$80,000.00 and a 15 acre parcel for the construction of a new armory. The new armory is now complete, the Adjutant General has vacated the old armory and the City of North Charleston is requesting the conveyance of this property in accordance with the 1982 contract.

EXHIBIT

OCT 21 1986

NO. 15

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve conveyance of Old North Charleston Armory to the City of North Charleston.

5. What is recommendation of the Board Division involved?

Approve

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

August 26, 1986 letter from Bourne  
to Putnam.

04306



JOHN E. BOURNE, JR.  
Mayor

*City of North Charleston*  
SOUTH CAROLINA

RECEIVED

AUG 28 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

CITY COUNCIL  
Raymond H. Anderson, Jr.  
George E. Epps  
Don John Hays  
Patsy W. Hughes  
R. Keith Summey  
R. E. Zipperer

August 26, 1986

EXHIBIT

OCT 21 1986

NO. 15

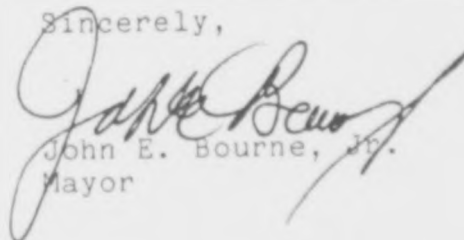
Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
P. O. Box 12444  
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

Dear Mr. Putnam:

In 1982, the City of North Charleston contracted to purchase the National Guard Armory located on Lackawanna Boulevard in the City of North Charleston. It appears that the National Guard has vacated the property and moved to their new quarters on Cross County Road. We would like to take possession and pay the state the amount due on the contract at an early date. Our Municipal Clerk, Cynthia E. Stewart can answer any questions or provide you with additional information if necessary.

Sincerely,

  
John E. Bourne, Jr.  
Mayor

JEB/ldt

554-9911

04307

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

OCT 21 1986  
TITLE TO REAL ESTATE

NO. 15

STATE BUDGET & CONTROL BOARD

KNOW ALL MEN BY THESE PERMITS, That

The State of South Carolina,

in the State aforesaid, for and in consideration is the sum of Eighty Thousand and NO/100 (\$80,000.00) Dollars and exchange of property, to it in hand paid at and before the sealing of these presents, by City of North Charleston, in the State aforesaid, (the receipt whereof is hereby acknowledged) has granted, bargained, sold and released, and by these Presents does grant, bargain, sell and release, unto the said

City of North Charleston, its Successors and Assigns:

ALL that lot, piece or parcel of land together with all the improvements thereon, containing 3.33 acres, more or less, situate, lying and being in the City of North Charleston, County of Charleston, State of South Carolina and more fully delineated and described on that certain plat of same made by Charleston County Council Department of Public Works in January 1950 which said plat is attached to a deed recorded at Book R-51 at Page 7 in the R.M.C. Office for Charleston County, South Carolina, which is made a part of this description by reference.

BEING the same property conveyed to the State of South Carolina by the County of Charleston by deed dated January 31, 1950 and recorded February 8, 1950 in Book R-51 at Page 7 in the R.M.C. Office for Charleston County, South Carolina.

TMS #471-10-00-003

Grantee's Address: City of North Charleston  
Post Office Box 10100  
North Charleston, South Carolina 29411

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

04308

TO HAVE AND TO HOLD, all and singular the said premises before mentioned unto the said City of North Charleston, its Successors and Assigns forever. And the said State of South Carolina does hereby bind itself and its successors, to warrant and forever defend all and singular the said premises unto the said City of North Charleston, its successors and Assigns, against itself and its Successors lawfully claiming or to claim the same, or any part thereof.

IN WITNESS WHEREOF the State of South Carolina has caused these presents to be executed in its name by \_\_\_\_\_, its Governor, and its corporate seal to be hereto affixed this \_\_\_\_ day of \_\_\_\_\_, in the year of our Lord, one thousand nine hundred and eighty-six, and in the two hundred and eleventh year of Sovereignty and Independence of the United States of America.

Signed, Sealed and Delivered  
in the Presence of

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD

BY:

Richard W. Riley, Chairman

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

EXHIBIT

OCT 21 1986

NO. 15

STATE BUDGET & CONTROL BOARD

04309



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

PERSONALLY appeared before me \_\_\_\_\_ who, in oath,  
says that he/she saw the within named State of South Carolina Budget and Control  
Board by \_\_\_\_\_ its Chairman, and signed the within Deed, and  
the said Corporation, by said officers, seal said Deed, and, as its act and  
deed, deliver the same, and that he/she with \_\_\_\_\_ witnessed  
the execution thereof.

\_\_\_\_\_  
Witness

SWORN to before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 1986.

\_\_\_\_\_  
(Seal)  
Notary Public for South Carolina

My Commission Expires: \_\_\_\_\_

04310

# EXHIBIT

OCT 21 1986

NO. 16

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION

ITEM NUMBER

10

AGENCY: General Services

SUBJECT: Procedures on Sale of Surplus State-owned Property to  
Retiring State Employees

The Division of General Services recommends that the Board adopt the following procedures on the sale of surplus State-owned property to retiring State employees:

Sale of surplus State-owned property to retiring State employees is subject to the following conditions:

1. To qualify for the purchase of State-owned property, an employee must have formally stated an intention to retire from active service within 90 days and be eligible to receive a retirement benefit or a disability retirement benefit immediately upon leaving active service.
2. Property to be sold to a retiring State employee must be declared, in writing, to be surplus by the agency head of the using agency.
3. A retiring employee may purchase only property assigned to and used by the employee while in State service. A written statement from the agency head attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the request to purchase.
4. A retiring State employee is limited to the purchase of one (1) item of equipment except where the Materials Management Officer determines that a logical grouping exists. Examples of logical groupings include (1) boat, motor, and trailer or (2) desk and credenza.
5. All proceeds from such sales minus customary fees or charges assigned by the State Surplus Property Program will be returned to the General Fund unless the agency justifies a need to keep the funds because they will be needed to finance the replacement of the surplus property which has exceeded replacement schedules.
6. Motor vehicles considered for sale to a retiring State employee must meet disposal criteria established by the Division of Motor Vehicle Management. Minimum mileage or age requirements for surplus disposition and sale shall be those in effect at the time of the proposed sale.
7. Any property that has a specified replacement schedule whether by age, mileage, or use cannot be declared surplus for employee purchase unless minimum requirements for surplus disposition and sale have been met.
8. The established sale price, plus applicable taxes, shall represent the most accurate or current assessment of the value of the asset. Any deviation from this standard must be supported by a written determination and approved by the Materials Management Officer.

REVISED  
BEFORE  
ADOPTION  
(SEE  
ATTACHED)

04311

AGENCY: General Services

SUBJECT: Procedures on Sale of Surplus State-owned Property to  
Retiring State Employees

9. The approval of the Materials Management Officer or his designee shall be required for all purchases involving \$2,500 or less upon submission of proper documentation and necessary appraisals. Specific Budget and Control Board approval is required for purchases involving more than \$2,500 and not more than \$5,000. In no case will the Budget and Control Board approve the direct sale of property the value of which exceeds \$5,000.
10. These procedures apply to all sales of State property to retiring State employees unless clearly indicated otherwise by existing laws.

## EXHIBIT

OCT 21 1986 NO. 16

STATE BUDGET & CONTROL BOARD

BOARD ACTION REQUESTED:

Adopt procedure on the sale of surplus State-owned property to retiring employees.

ATTACHMENTS:

04312

## EXHIBIT

OCT 21 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Upon the recommendation of the Division of General Services and upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted the following procedures on the sale of surplus State-owned property to retiring State employees:

Sale of surplus State-owned property to retiring State employees is subject to the following conditions:

1. To qualify for the purchase of State-owned property, an employee must have have been an employee for a minimum of five years and must have formally stated an intention to retire from active service within 90 days and be eligible to receive a retirement benefit or a disability retirement benefit immediately upon leaving active service.
2. Property to be sold to a retiring State employee must be declared, in writing, to be surplus by the agency head of the using agency.
3. A retiring employee may purchase only property assigned to and used by the employee while in State service. A written statement from the agency head attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the request to purchase.
4. A retiring State employee is limited to the purchase of one (1) item of equipment except where the Materials Management Officer determines that a logical grouping exists. Examples of logical groupings include (1) boat, motor, and trailer or (2) desk and credenza.
5. All proceeds from such sales minus customary fees or charges assigned by the State Surplus Property Program will be returned to the General Fund unless the agency justifies a need to keep the funds because they will be needed to finance the replacement of the surplus property which has exceeded replacement schedules.

04313



# EXHIBIT

OCT 21 1986

NO. 17

## STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF October 21, 1986

ITEM NUMBER

11

AGENCY: General Services

SUBJECT: Information Technology Equipment Trade-in

The Division of General Services advises that the Division of Information Resource Management wishes to procure two 3725 IBM communication controls for \$287,791, which includes a trade-in of \$50,718 for two 3705 communication controllers.

### BOARD ACTION REQUESTED:

Approve Division of Information Resource Management acquisition of two 3726 IBM communication controls for \$287,791, which includes the trade-in of \$50,718 for two 3705 communication controllers.

### ATTACHMENTS:

Agenda item worksheet and attachments

04314

CORRECTION

CORRECTION

CORRECTION

CORRECTION

CORRECTION

CORRECTION

## EXHIBIT

OCT 21 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Upon the recommendation of the Division of General Services and upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted the following procedures on the sale of surplus State-owned property to retiring State employees:

Sale of surplus State-owned property to retiring State employees is subject to the following conditions:

1. To qualify for the purchase of State-owned property, an employee must have been an employee for a minimum of five years and must have formally stated an intention to retire from active service within 90 days and be eligible to receive a retirement benefit or a disability retirement benefit immediately upon leaving active service.
2. Property to be sold to a retiring State employee must be declared, in writing, to be surplus by the agency head of the using agency.
3. A retiring employee may purchase only property assigned to and used by the employee while in State service. A written statement from the agency head attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the request to purchase.
4. A retiring State employee is limited to the purchase of one (1) item of equipment except where the Materials Management Officer determines that a logical grouping exists. Examples of logical groupings include (1) boat, motor, and trailer or (2) desk and credenza.
5. All proceeds from such sales minus customary fees or charges assigned by the State Surplus Property Program will be returned to the General Fund unless the agency justifies a need to keep the funds because they will be needed to finance the replacement of the surplus property which has exceeded replacement schedules.

04313

Minutes of State Budget and Control Board Meeting  
Regular Session — October 21, 1986 — Page 15

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6. Motor vehicles considered for sale to a retiring State employee must meet disposal criteria established by the Division of Motor Vehicle Management. Minimum mileage or age requirements for surplus disposition and sale shall be those in effect at the time of the proposed sale.
7. Any property that has a specified replacement schedule whether by age, mileage, or use cannot be declared surplus for employee purchase unless minimum requirements for surplus disposition and sale have been met.
8. The established sale price, plus applicable taxes, shall represent the most accurate or current assessment of the value of the asset. Any deviation from this standard must be supported by a written determination and approved by the Materials Management Officer.
9. The approval of the Materials Management Officer or his designee shall be required for all purchases involving \$2,500 or less upon submission of proper documentation and necessary appraisals. Specific Budget and Control Board approval is required for purchases involving more than \$2,500 and not more than \$5,000. In no case will the Budget and Control Board approve the direct sale of property the value of which exceeds \$5,000.
10. These procedures apply to all sales of State property to retiring State employees unless clearly indicated otherwise by existing laws.

EXHIBIT

OCT 21 1986 NO. 16

STATE BUDGET & CONTROL BOARD

EXHIBIT

D4313-A

# EXHIBIT

OCT 21 1986

NO. 17

## STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF October 21, 1986

ITEM NUMBER

11

AGENCY: General Services

SUBJECT: Information Technology Equipment Trade-in

The Division of General Services advises that the Division of Information Resource Management wishes to procure two 3725 IBM communication controls for \$287,791, which includes a trade-in of \$50,718 for two 3705 communication controllers.

### BOARD ACTION REQUESTED:

Approve Division of Information Resource Management acquisition of two 3726 IBM communication controls for \$287,791, which includes the trade-in of \$50,718 for two 3705 communication controllers.

### ATTACHMENTS:

Agenda item worksheet and attachments

04314



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

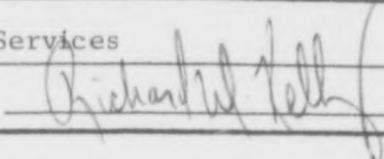
Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: 

2. Subject:

Trade-In of Information Technology Equipment

3. Summary Background Information:

The Division of Information Resource Management wishes to procure two (2) 3725 Communication Controls from IBM for a cost of \$287,791.00. This cost includes a trade-in of \$50,718.00 for two (2) existing 3705 Communication Controllers owned by DIRM.

EXHIBIT

OCT 21 1986

NO. 17

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the trade-in.

5. What is recommendation of the Board Division involved?

Approve the trade-in.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. IBM bid showing trade-in

Contact at agency:  
Bob Pietropaola 737-2300

Buyer:  
Jim Clark 737-8900

04315

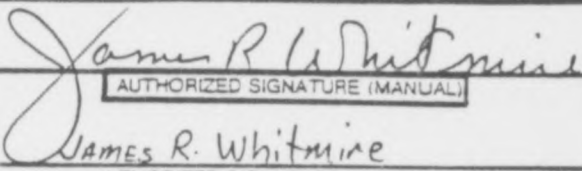
Stephens  
McMill  
Faber

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PAGE 1 OF 17 PAGES

<b>STATE OF SOUTH CAROLINA</b> <b>BID INVITATION</b>		BIDS SHOULD BE MAILED TO: MATERIALS MANAGEMENT OFFICE P.O. BOX 21000 COLUMBIA, SOUTH CAROLINA 29221  HAND DELIVERED AND/OR EXPRESS MAIL BIDS TO: MATERIALS MANAGEMENT OFFICE 800 DUTCH SQ. BLVD., SUITE 250 COLUMBIA, SOUTH CAROLINA 29210 Ph. (803) 737-8900	
SEALED BIDS WILL BE RECEIVED UNTIL <b>2:00 P.M. SEPTEMBER 30, 1986</b> LOCAL TIME, THEN PUBLICLY OPENED.		BID NUMBER (NUMBER TO BE SHOWN ON ENVELOPE) <b>2-205-1103221-09/30/86-41</b>	
BID TITLE: <b>2 COMMUNICATION CONTROLLERS (3725 OR EQUIVALENT)</b>			
MAILING DATE: <b>SEPT. 10, 1986</b>		DIRECT INQUIRIES TO: <b>JIM CLARK</b>	
HAROLD A. STEWART INFORMATION TECHNOLOGY MANAGEMENT OFFICER		REQ. NO. <b>84440</b>	
VENDOR NAME <b>IBM</b>		REASON FOR NO BID	
VENDOR MAILING ADDRESS <b>1333 MAIN STREET</b>		FEDERAL I.D. OR SOCIAL SECURITY NO. <b>13-087-1985</b>	
CITY - STATE - ZIP <b>Columbia SC 29201</b>		BID SECURITY IS ATTACHED, WHEN REQUIRED, IN THE AMOUNT OF: \$	
AREA CODE <b>803</b>	TELEPHONE NUMBER <b>256 9105</b>		
TOLL-FREE NUMBER			
FOR ADDITIONAL INFORMATION CONTACT TIM FABER I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder.		 AUTHORIZED SIGNATURE (MANUAL)  JAMES R. Whitmire AUTHORIZED SIGNATURE (TYPED) TITLE	

IF A STATEMENT OF AWARD IS DESIRED PLEASE ENCLOSE A SELF ADDRESSED STAMPED ENVELOPE

SOUTH CAROLINA RESIDENT VENDOR/ECONOMICALLY DISADVANTAGED COUNTY PREFERENCE REQUEST:

The enclosed affidavit(s) must be completed, notarized and returned as part of vendor's bid if making claim(s).

CORRECTION OF ERRORS ON THIS BID FORM

ALL PRICES AND NOTATIONS SHOULD BE PRINTED IN INK OR TYPEWRITTEN. ERRORS SHOULD BE CROSSED OUT, CORRECTIONS ENTERED AND INITIALED BY THE PERSON SIGNING THE BID. ERASURES OR USE OF TYPEWRITER CORRECTION FLUID MAY BE CAUSE FOR REJECTION. NO BID SHALL BE ALTERED OR AMENDED AFTER SPECIFIED TIME FOR OPENING.

AMENDMENTS

ALL AMENDMENTS TO AND INTERPRETATIONS OF THIS SOLICITATION SHALL BE IN WRITING. THE, PROCUREMENT OFFICER SHALL NOT BE LEGALLY BOUND BY ANY AMENDMENT OR INTERPRETATION THAT IS NOT IN WRITING.

DISCUSSIONS/NEGOTIATIONS

By submission of a bid, vendor agrees that during the period following issuance of a bid and prior to final award of contract, vendor shall not discuss this procurement with any party except members of the Materials Management Office or other parties designated in this solicitation. Vendor shall not attempt to discuss with or attempt to negotiate with the using Agency, any aspects of the procurement without prior approval of the Materials Management Buyer responsible for the procurement.

BID ACCEPTANCE AND DELIVERY (Prices Bid must be firm for a minimum of 30 days.)

In compliance with the invitation, and subject to all conditions thereof, the above signed offers and agrees, if this bid is accepted within 60 days from date of opening, to furnish any or all items quoted on at prices as set forth after the item and to make delivery within 30 days after receipt of order with all transportation cost included and prepaid. Unless otherwise stated and accepted herein, I agree to complete this proposed contract in less than sixty (60) days after issue date of purchase order.

DISCOUNTS

Discount will be allowed as follows: Thirty (30) calendar days Net per cent. **04316**

Date bid signed 9/30/86

(All mail is picked up once daily at 9:00 A.M.)

IMPORTANT  
(ONLY ONE BID PER ENVELOPE)

# EXHIBIT

OCT 21 1986

NO. 17

STATE BUDGET & CONTROL BOARD

## Configuration A:

Equipment per specifications		<u>\$ 163,665.00</u>
Manufacturer <u>IBM</u>	Model <u>3725-001</u>	
Maintenance (5 years at present rate less warranty)	<u>1 Year Warranty</u>	<u>22,379.52 (7/24 Coverage)</u>
Shipping		<u>197.00</u>
Installation		<u>0</u>
TOTAL CONFIG A		<u>\$ 186,241.52</u>

## Configuration B:

Equipment per specifications		<u>\$ 174,440.00</u>
Manufacturer <u>IBM</u>	Model <u>3725-001</u>	
Maintenance (5 years at present rate less warranty)	<u>1 Year Warranty</u>	<u>24,381.12 (7/24 Coverage)</u>
Shipping		<u>197.00</u>
Installation		<u>0</u>
TOTAL CONFIG B		<u>\$ 199,018.12</u>

TOTAL CONFIG A+B

\$ 385,259.64

TRADE-IN OFFERED FOR IBM 3705'S

2 ea. IBM 3705 J04's

(48 lines, 2 type 3 scanners each)

50,718.00

TOTAL CONFIG A+B LESS TRADE-IN

\$ 334,541.64

04317

# EXHIBIT

OCT 21 1986 NO. 18

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION  
MEETING OF October 21, 1986 ITEM NUMBER

12

AGENCY: General Services

SUBJECT: Procurement Certification, Workers Compensation

In accord with Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited the Workers' Compensation Commission and recommends its certification within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for two years: Goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$5,000 per purchase commitment.

BOARD ACTION REQUESTED:

In accord with Consolidated Procurement Code Section 11-35-1210, grant certification to the Workers' Compensation Commission within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for two years: Goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$5,000 per purchase commitment.

ATTACHMENTS:

Agenda item worksheet and referenced report

04318



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

Blue Agenda  
☒ Regular Session Agenda  
Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Division Director

2. Subject:

Procurement Certification of the Workers' Compensation Commission

3. Summary Background Information:

The Division of General Services has audited the Workers' Compensation Commission and recommends its certification in accordance with Section 11-35-1210 of the Consolidated Procurement Code within the parameters described in the audit report for the following limit for two (2) years:

1. Goods and Services exclusive of printing equipment which must be approved by the Division of Information Resource Management

\*\$5,000 per purchase commitment

\*This limit means the total potential purchase commitment to the State whether single-year or multi-year contracts are used.

4. What is Board asked to do?

Grant procurement certification to the Workers' Compensation Commission.

5. What is recommendation of the Board Division involved?

Grant Certification:

**EXHIBIT**

OCT 21 1986

NO. 18

6. Recommendation of other office (as required)?

STATE BUDGET & CONTROL BOARD

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

1. 20 Copies of the Procurement Audit and Certification Report.

04319

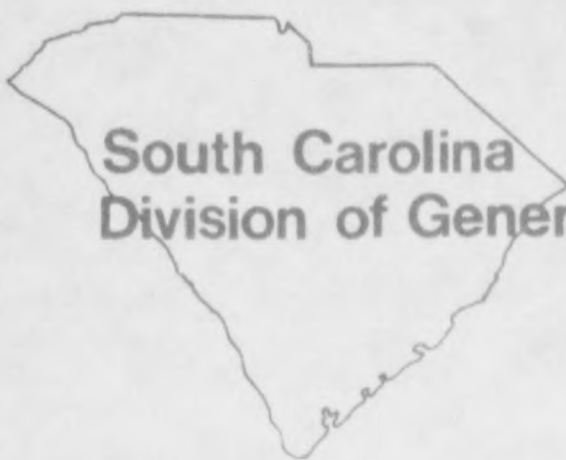


# EXHIBIT

OCT 21 1986

NO. 18

STATE BUDGET & CONTROL BOARD



South Carolina  
Division of General Services

## PROCUREMENT AUDIT AND CERTIFICATION

S.C. WORKERS' COMPENSATION COMMISSION  
AGENCY

SEPTEMBER 23, 1986  
DATE

04320

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVASIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REINHERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

**EXHIBIT**

September 23, 1986

OCT 21 1986 NO. 18

STATE BUDGET & CONTROL BOARD

Mr. Richard W. Kelly  
Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Rick:

Attached is the final South Carolina Workers' Compensation Commission audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the Workers' Compensation Commission two years certification as outlined in the audit report.

Sincerely,

A handwritten signature in dark ink, appearing to read "WJCL", written over the typed name.

William J. Clement  
Assistant Division Director

Attachment

**04321**

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
AUDIT REPORT

September 8, 1986

04322

TABLE OF CONTENTS

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STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVASIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2130

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

BERNARD C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE Ways and Means COMMITTEE

JOSE A. COLE, JR., PhD  
EXECUTIVE DIRECTOR

## EXHIBIT

OCT 21 1986 NO. 18

STATE BUDGET & CONTROL BOARD

September 8, 1986

William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

We have examined the procurement policies and procedures of the South Carolina Workers' Compensation Commission for the period July 31, 1981 through September 30, 1985. As part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such 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 that were necessary for developing a recommendation for certification above the \$2,500 limit.

The administration of the South Carolina Workers' Compensation Commission is responsible for 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 due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place the South Carolina Workers' Compensation Commission in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

*R. Voight Shealy*  
R. Voight Shealy, Manager  
Audit and Certification

## EXHIBIT

OCT 21 1986 NO. 18

STATE BUDGET & CONTROL BOARD

## INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies of the South Carolina Workers' Compensation Commission.

Our on-site review was conducted September 24, 1985, through October 23, 1985, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

Additionally, our work was directed toward assisting the Commission in promoting the underlying purposes and policies of the Code as outlined in Section 11-35-20, which include:

- (1) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this State;
- (2) to provide increased economy in State procurement activities and to maximize to the fullest extent practicable the purchase values of funds of the State; and

- (3) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process.

04328

BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The Budget and Control 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 operations, 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.

Our audit was performed primarily to determine if certification is warranted for this requested increased limit:

<u>Category</u>	<u>Requested Limit</u>
1. Goods and Services	\$5,000.00



### SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of the South Carolina Workers' Compensation Commission to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions up to the requested certification limits.

The Office of Audit and Certification of the Division of General Services reviewed one hundred percent (100%) of the procurement transactions, which totaled two hundred fifty-four (254), for Fiscal Year 1984-85 for compliance testing and performed other auditing procedures that we considered necessary in the circumstances to formulate this opinion. 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) procurement staff and training;
- (3) adequate audit trails and purchase order register;
- (4) evidences of competition;
- (5) small purchase provisions and purchase order confirmations;
- (6) emergency and sole source procurements;
- (7) source selections;

04330

- (8) file documentation of procurements;
- (9) adherence to State term contracts;
- (10) inventory and disposition of surplus property;
- (11) economy and efficiency of the procurement process;  
and
- (12) approval of Minority Business Enterprise Plan.

## SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system at the South Carolina Workers' Compensation Commission produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. <u>Compliance - Goods and Services and Information Technology</u>	11
Our examination of transactions in the areas of goods and services and information technology determined that in five (5) instances procurements were not made in compliance with the Consolidated Procurement Code and regulations.	
II. <u>Honesty Bond Policy Procurement</u>	12
A three-year honesty bond policy totaling \$2,256.00 should have had three (3) written quotations. Competition was solicited based on the amount of the annual premium, not the total three-year purchase commitment.	
III. <u>Minority Business Enterprise Utilization Plan</u>	13
The South Carolina Workers' Compensation Commission's Minority Business Utilization Plan has not been approved by the Office of Small and	

Minority Business Assistance, as required by  
Section 11-35-5240 of the Procurement Code.

IV. Professional Development

14

Professional development of the procurement  
officer needs to be a goal of the Commission.

V. Procurement Procedures Manual

16

Due to the small size of the agency, the  
Commission was not required previously to prepare  
a comprehensive procurement procedures manual. A  
smaller document was accepted. However, in order  
for this Office to recommend procurement certifi-  
cation, a complete manual must be prepared and  
implemented.

## RESULTS OF EXAMINATION

### I. COMPLIANCE - GOODS AND SERVICES AND INFORMATION TECHNOLOGY

Our examination consisted of a one hundred percent (100%) review of the Commission's two hundred fifty-four (254) procurement transactions processed during Fiscal Year 1984-85. The sample included procurements of goods and services, consultants and information technology. The Commission had no construction-related expenditures during this period.

Most transactions were handled properly. However, we did note five (5) transactions that were not made in compliance with the Procurement Code.

The following three (3) transactions had no documented competition or sole source justification:

	<u>Requisition No.</u>	<u>Amount</u>	<u>Type Goods/Services</u>
(1)	48302	\$925.00	Maintenance Agreement on a copier
(2)	82764	\$1,008.00	Maintenance Agreement on a copier
(3)	36704	\$1,495.00	Hard Drive for Computer System

Since the following procurements were made at the same time and are related, they should have been combined and sent through State Procurements for purchase.

	<u>Requisition No.</u>	<u>Amount</u>	<u>Item</u>
(1)	04785	\$2,375.75	Paper Perforator
(2)	04786	\$1,979.67	Paper Shredder



The procurement officer obtained three (3) informal written quotations on each of these items. The purchases were viewed by the Commission as separate procurements when they should have been combined in one sealed bid as the total procurement was greater than \$2,500.00.

We remind the procurement officer that maintenance agreements are covered by the Procurement Code and must be bid competitively or, if appropriate, sole sourced. Further, when making a procurement of goods and services, the buyer must take into consideration the total dollar procurement when determining the source selection process as outlined in Section 11-35-1510 of the Code.

#### AGENCY RESPONSE

Concur - These areas of procurements have been corrected.

---

#### II. HONESTY BOND POLICY PROCUREMENT

The Commission failed to solicit the required number of bids on the fidelity bond contract. On August 1, 1985, the Commission entered into a three-year blanket bond contract for \$752.00 per year. Two (2) bids were obtained for this procurement. However, three (3) written quotations should have been solicited as the total cost of the contract is \$2,256.00.

It is the Materials Management Officer's written opinion that:

When determining the value of a contract for the purpose of defining certification or purchasing limits and proper source selection, the govern- mental body must consider the potential or total value of the contract over the entire length of the contract period. Annual value of the contract is irrelevant when the contract period is for more than one year or has a renewal option.

Furthermore, to enter into a contract for a period of more than one (1) year (multi-term) it must be determined in writing that the contract will serve the best interest of the State. This requirement was not met.

In establishing future multi-term contracts, the requirements in Section 11-35-2030 of the Code must be met. Also, the total cost of a multi-term contract must be considered for the source selection process and the application of certification limits.

#### AGENCY RESPONSE

Concur - Three (3) written quotes will be solicited on the new honesty bond.

---

### III. MINORITY BUSINESS ENTERPRISE UTILIZATION PLAN

At the time of the audit, the Commission had not submitted a Fiscal Year 1985-86 Minority Business Enterprise (MBE)

Utilization Plan to the Office of Small and Minority Business Assistance for approval. In the past year, the Commission transferred responsibility for submitting the plan.

The purchasing officer has now taken over this responsibility. This should help to insure timely submission of this plan and the required quarterly reports in the future.

The Commission should contact the Minority Business office to work toward approval of an accepted MBE Plan in order to affect compliance with the Code. Approval of the Plan is required for certification.

#### AGENCY RESPONSE

Concur - Minority Business Plan has now been approved.

---

#### IV. PROFESSIONAL DEVELOPMENT

Personnel training is one of the most critical factors in the successful operation of a procurement system. We found that professional development of the purchasing officer has been overlooked as a goal of the Commission.

The procurement officer has been in this position more than a year without any formal purchasing training. His past experience does not include any previous governmental purchasing experience or training.

Per Section 11-35-20(k) of the Procurement Code, one of its primary purposes and policies is "to train procurement officials

in the techniques and methods of public procurements." To help accomplish this, the Research and Training Section of the Division of General Services was established.

We are aware of budgetary restrictions placed on State governmental agencies. Many times in a small agency, professional development of the staff is not budgeted as it is one of the first items cut during lean years. Since the Commission is requesting certification above \$2,500.00 for the first time, we find it imperative that the buyer receive training in governmental purchasing.

We recommend the Commission implement a program promoting professional development of procurement personnel through the following:

- (1) Include a policy statement on professional development goals in the Internal Procurement Operating Procedures Manual.
- (2) Budget available funds for procurement training such as the basic, intermediate, and advanced purchasing seminars given by the National Institute of Governmental Purchasing. As a minimum, the General Public Purchasing (Basic) course should be taken.
- (3) Promote the attainment of professional certification of the purchasing staff such as Professional Public Buyer (PPB) or Certified Public Purchasing Officer (CPPO). These certifications are a part of the Universal Certification Requirements for Public Procurement Personnel developed by the National Institute of Governmental Purchasing (NIGP) and the National Association of State Purchasing Officials (NASPO).

- (4) Promote participation in professional purchasing organizations such as the National Association of State Purchasing Officials (NASPO), the National Institute of Governmental Purchasing (NIGP), or the South Carolina Association of Governmental Purchasing Officers (SCAGPO).
- (5) Attend Procurement Code updates given by the Materials Management Office.
- (6) Pay particular attention to the Materials Management Office publication, "Facts and Figures."

AGENCY RESPONSE

Concur - Our Procurement Officer has completed the Basic Purchasing Course and is interested in going to other purchasing courses.

---

V. PROCUREMENT PROCEDURES MANUAL

A requirement for certification is that the Commission have an approved Procurement Procedures Manual. These written procedures must be consistent with the Consolidated Procurement Code and its regulations.

The Manual should address the following areas:

(1) General Topics

- Procurement Authority
- Purpose Statement (Goals and Objectives)
- Determination of Compliance Statement with Code and regulations

04339



- Ethical Standards

(2) General Procurement Policy Statements

- Restrictive Specifications
- Vendor Grievances
- Minority Business Policy
- Unauthorized Procurements
- Term Contract Usage
- Professional Development
- Conflict of Interest
- Authorized Signature Approval
- Approval Authority for Determinations (i.e., Sole Source and Emergency)

(3) Include the Exempted Commodities List

(4) Small Purchase Methods (number of quotations for specific dollar range)

- Telephone Quotations
- Informal Written Quotations
- Blanket Purchase Agreements (if applicable)

(5) Other Procurement Procedures to be Addressed

- Consultants
- Information Technology

- (6) Procedures for Reporting Quarterly Sole Source and  
Emergency Procurements and Trade-in Sales
- (7) Formal Changes to Purchase Orders and/or Contract  
Procedures
- (8) Pertinent "Exhibit" Appendix.

AGENCY RESPONSE

Concur - Procurement manual has been updated and approved.

---

### CERTIFICATION RECOMMENDATIONS

As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings contained in the body of this report, we believe, will in all material respects place the South Carolina Workers' Compensation Commission in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Under the authority described in Section 11-35-1210 of the Procurement Code, subject to this corrective action, we recommend the South Carolina Workers' Compensation Commission be certified to make direct agency procurements for a period of two years as follows:

<u>PROCUREMENT AREA</u>	<u>RECOMMENDED CERTIFICATION LIMIT</u>
I. Goods and Services exclusive of printing equipment which must be approved by the Division of Information Resource Management.	*\$5,000 per purchase commitment

\*This limit means the total potential purchase commitment to the State, whether single year or multi-year contracts are used.

No certification was requested in the areas of consultant services, information technology and construction.

James M. Stiles  
James M. Stiles, PPB  
Audit Supervisor

R. Voight Shealy  
R. Voight Shealy, Manager  
Audit and Certification

04342

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
100 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

September 23, 1986

Mr. William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Bill:

We have returned to the South Carolina Workers' Compensation Commission to determine the progress made toward implementing the recommendations in our audit report covering the period July 31, 1981 through September 30, 1985. During this visit, we followed up on each recommendation made in the audit report through inquiry, observation and limited testing.

We observed that the Commission has made substantial progress toward correcting the problem areas found and improving the internal controls over the procurement system. With the changes made, the system's internal controls should be adequate to ensure that procurements are handled in compliance with the Consolidated Procurement Code and ensuing regulations.

We therefore, recommend that the certification limits as outlined in the audit report, be granted for a period of two (2) years.

Sincerely,

R. Voight Shealy, Manager  
Audit and Certification

04343

# EXHIBIT

OCT 21 1986

NO. 19

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF October 21, 1986

ITEM NUMBER

13

AGENCY: General Services

SUBJECT: Procurement Certification, Francis Marion College

In accord with Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited Francis Marion College and recommends its certification within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years:

- |   |  |
|---|--|
| I. Goods and services exclusive of printing equipment which must be approved by the Information Resource Management | \$20,000 per purchase commitment Division of |
| II. Construction services   | \$25,000 per purchase commitment             |

BOARD ACTION REQUESTED:

In accord with Consolidated Procurement Code Section 11-35-1210, grant certification to Francis Marion College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services exclusive of printing equipment which must be approved by the Division of Information Resource Management, \$20,000 per purchase commitment; and construction services, \$25,000 per purchase commitment.

ATTACHMENTS:

Agenda item worksheet and referenced report

04344



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:

Procurement Certification for Francis Marion College

3. Summary Background Information:

The Division of General Services has audited Francis Marion College and recommends its certification in accordance with Section 11-35-1210 of the Consolidated Procurement Code within the parameters described in the audit report for the following limits for a period of three (3) years:

I. Goods and Services, including  
    Printing Services

\*\$20,000 per purchase commitment

II. Construction Services

\*\$25,000 per purchase commitment

\*This limit means the total potential purchase commitment to the State, whether single-year or multi-year contracts are used.

EXHIBIT

4. What is Board asked to do?

OCT 21 1986

NO. 19

Grant procurement certification to Francis Marion College.

STATE BUDGET & CONTROL BOARD

5. What is recommendation of the Board Division involved?

Grant Certification.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_

Authorized

(b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. 20 Copies of the Procurement Audit  
and Certification Report.

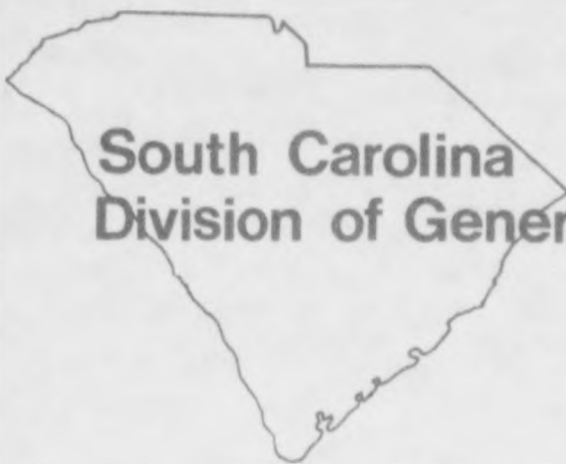
04345

# EXHIBIT

OCT 21 1986

NO. 19

STATE BUDGET & CONTROL BOARD



South Carolina  
Division of General Services

## PROCUREMENT AUDIT AND CERTIFICATION

FRANCIS MARION COLLEGE

AGENCY

SEPTEMBER 30, 1986

DATE

04346

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
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COMPTROLLER GENERAL



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SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

**EXHIBIT**

September 30, 1986

OCT 21 1986 NO. 19

STATE BUDGET & CONTROL BOARD

Mr. Richard W. Kelly  
Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Francis Marion College audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant Francis Marion College three years certification as outlined in the report.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. J. Clement", written over the typed name.

William J. Clement  
Assistant Division Director

Attachment

**04347**

EXHIBIT

OCT 21 1986 NO. 19

STATE BUDGET & CONTROL BOARD

FRANCIS MARION COLLEGE  
AUDIT REPORT

August 22, 1986

04348

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STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

August 22, 1986

Mr. William J. Clement  
Assistant Division Director  
Division of General Services  
Columbia, South Carolina 29210

We have examined the procurement policies and procedures of Francis Marion College for the period July 1, 1984 through May 31, 1986. As a part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such 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 College procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of Francis Marion College is responsible for 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 due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place Francis Marion College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

*R. Voight Shealy*  
R. Voight Shealy, Manager  
Audit and Certification

EXHIBIT

OCT 21 1986 NO. 19

-2-

STATE BUDGET & CONTROL BOARD

04351

## RESULTS OF EXAMINATION

The Office of Audit and Certification performed an examination of the internal procurement operating procedures and policies and related manual of Francis Marion College for the period July 1, 1984 through May 31, 1986.

Our on-site review was conducted July 1st through July 18, 1986, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code. The audit was primarily instituted because the two year certification granted the College by the Budget and Control Board is to expire on March 26, 1987. Additionally, the College requested increased certification limits as follows:

Goods and Services	\$20,000
Construction	\$30,000

Since our previous audit in 1984, Francis Marion College has maintained what we consider to be a professional, efficient procurement system. We did note, however, the below listed items which should be addressed by management.

Check 22955 for \$3,000.00 was issued in payment for a contract to produce and present a play for the College. Competition was not solicited nor was a sole source determination prepared. We recommend that future transactions of this nature either be competitively bid in accordance with Section 11-35-1520 or, if appropriate, sole sourced in accordance with Section 11-35-1560 of the Procurement Code.

Purchase orders 21540 and 914 for newspaper clipping services were issued in the amount of \$600.00 each as sole source

procurements. Based on our contacts with another vendor, we do not believe the procurements are appropriate sole sources. Competition should be solicited in the future.




CERTIFICATION RECOMMENDATIONS

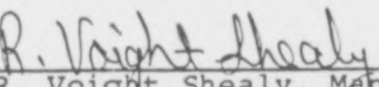
As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings contained in the body of this report, we believe, will in all material respects place Francis Marion College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Under the authority described in Section 11-35-1210 of the Procurement Code, subject to this corrective action, we recommend Francis Marion College be re-certified to make direct agency procurements for three years up to the limits as follows:

<u>PROCUREMENT AREAS</u>	<u>RECOMMENDED CERTIFICATION LIMITS</u>
I. Goods and Services including printing services.	\$20,000 *per purchase commitment
II. Construction Services	\$25,000 *per purchase commitment

\* This limit means the total potential commitment to the State whether single year or multi-term contracts are used.

  
\_\_\_\_\_  
Larry G. Sorrell  
Audit Manager

  
\_\_\_\_\_  
R. Voight Shealy, Manager  
Audit and Certification





# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 661-1110

Vice President for Business & Finance

September 19, 1986

RECEIVED

SEP 22 1986

DIVISION OF GENERAL SERVICES  
AGENCY CERTIFICATION AND  
ENGINEERING MANAGEMENT

Mr. R. Voight Shealy, Manager  
Audit and Certification  
Budget and Control Board  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Re: Draft Procurement  
Audit Report--  
August 22, 1986

Dear Voight:

I am in receipt of your letter dated 17 September, 1986 with above referenced enclosure.

I have reviewed the draft report and shared same with Mrs. E. Cooper. We find the report to be factual and clearly represents the findings of your audit staff.

As you proposed, we would appreciate your proceeding without a formal exit conference.

We are appreciative of the opportunity to review the draft and the internal procurement enhancement that is derived from the review process.

Respectfully yours,

N. C. Frederick  
Vice President of  
Business and Finance

Enclosure

CC: Mrs. E. Cooper

NCF/jlh

EXHIBIT

OCT 21 1986

NO. 19

STATE BUDGET & CONTROL BOARD

04355

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

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STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

September 30, 1986

Mr. William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Bill:

We have reviewed the response to our audit report of Francis Marion College covering the period July 1, 1984 through May 31, 1986. Combined with observations made during our site visit, this review has satisfied the Office of Audit and Certification that the College is correcting the problem areas found and that internal controls over the procurement system are adequate.

We, therefore, recommend that the certification limits for Francis Marion College outlined in the audit report be granted for a period of three (3) years.

Sincerely,

*R. Vaught Shealy*

R. Voight Shealy, Manager  
Audit and Certification

04357

# EXHIBIT

OCT 21 1986

NO. 20

STATE BUDGET AND CONTROL BOARD BUDGET & CONTROL BOARD  
MEETING OF October 21, 1986 REGULAR SESSION

ITEM NUMBER

14

AGENCY: General Services

SUBJECT: Procurement Certification, Lander College

In accord with Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited Lander College and recommends its certification within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years:

I. Goods and services	\$20,000 per purchase commitment
II. Consultants	\$10,000 per purchase commitment
III. Construction services	\$25,000 per purchase commitment
IV. Information technology in accordance with the approved Information Technology Plan	\$10,000 per purchase commitment

BOARD ACTION REQUESTED:

In accord with Consolidated Procurement Code Section 11-35-1210, grant certification to Lander College within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used) for three years: goods and services, \$20,000 per purchase commitment; consultants, \$10,000 per purchase commitment; construction services, \$25,000 per purchase commitment; and information technology in accordance with the approved Information Technology Plan, \$10,000 per purchase commitment

ATTACHMENTS:

Agenda item worksheet and referenced report

04358

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

October 21, 1986

Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Division Director

2. Subject:

Procurement Certification for Lander College

3. Summary Background Information: The Division of General Services has audited Lander College and recommends its certification in accordance with Section 11-35-1210 of The Consolidated Procurement Code within the parameters described in the audit report for the following limits for a period of three (3) years:

- |  |                                   |
|--|-----------------------------------|
| I. Goods and Services  | *\$20,000 per purchase commitment |
| II. Consultants  | *\$10,000 per purchase commitment |
| III. Construction Services   | *\$25,000 per purchase commitment |
| IV. Information Technology in accordance with the approved Information Technology Plan | *\$10,000 per purchase commitment |

\*This limit means the total potential purchase commitment to the State whether single-year or multi-year contracts are used.

**EXHIBIT**

4. What is Board asked to do?

Grant procurement certification to Lander College

OCT 21 1986

NO. 20

STATE BUDGET & CONTROL BOARD

5. What is recommendation of the Board Division involved?

Grant certification

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

1. 20 copies of the Procurement Audit and Certification Report

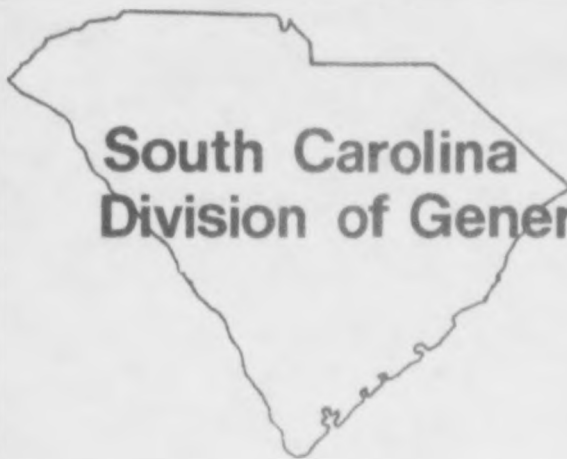
04359

EXHIBIT

OCT 21 1986

NO. 20

STATE BUDGET & CONTROL BOARD



South Carolina  
Division of General Services

PROCUREMENT  
AUDIT AND  
CERTIFICATION

LANDER COLLEGE

AGENCY

SEPTEMBER 16, 1986

DATE

04360



STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERV AIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

## EXHIBIT

September 16, 1986

OCT 21 1986

NO. 20

STATE BUDGET & CONTROL BOARD

Mr. Richard W. Kelly  
Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Lander College audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant three (3) years certification as outlined in the audit report.

Sincerely,

William J. Clement  
Assistant Division Director

kl -  
Attachments

04361

EXHIBIT

OCT 21 1986 NO. 20

STATE BUDGET & CONTROL BOARD

LANDER COLLEGE  
AUDIT REPORT

July 8, 1986

04362

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EXHIBIT

OCT 21 1986 NO. 20

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
100 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
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RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

HERBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

July 8, 1986

EXHIBIT

OCT 21 1986 NO. 20

STATE BUDGET & CONTROL BOARD

William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

We have examined the procurement policies and procedures of Lander College for the period July 1, 1984 through March 31, 1986. As part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such 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 that were necessary for developing a recommendation for certification above the \$2,500 limit.

The administration of Lander College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgments 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 due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions, enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place Lander College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

*R. Voight-Shealy*

R. Voight-Shealy, Manager  
Audit and Certification



## INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of Lander College.

Our on-site review was conducted April 23, 1986 through May 15, 1986 and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Additionally, our work was directed toward assisting the agency in promoting the underlying purposes and policies of the Code as outlined in Section 11-35-20, which includes:

- (1) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this State;
- (2) to provide increased economy in state procurement activities and to maximize to the fullest extent practicable the purchasing values of funds of the State;
- (3) to provide safeguards for the maintenance of a procurement system of quality and integrity with

clearly defined rules for ethical behavior on the  
part of all persons engaged in the public  
procurement process.

## BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services Office shall review the respective governmental body's internal procurement operation, shall verify 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.

Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code states in part:

In procurement audits of governmental bodies thereafter, the auditors from the Division of General Services Office shall review the adequacy of the system's internal controls in order to ensure compliance with the requirements of this code and the ensuing regulations.

The current certification limits expire December 18, 1986. Our audit was performed primarily to determine if recertification is warranted. Additionally, Lander College requested the increased certification limits listed below:

<u>CATEGORY</u>	<u>CERTIFICATION REQUEST</u>
Goods and Services	\$20,000 per commitment
Consultants	\$10,000 per commitment
Construction	\$30,000 per commitment
Information Technology	\$10,000 per commitment

### SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of Lander College 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 up to the requested certification limits.

The Office of Audit and Certification of the Division of General Services selected random samples for the period July 1, 1984 - March 31, 1986, of procurement transactions for compliance testing and performed other auditing procedures that we considered necessary in the circumstances to formulate this opinion. 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) procurement staff and training;
- (3) adequate audit trails and purchase order register;
- (4) evidences of competition;
- (5) small purchase provisions and purchase order confirmations;
- (6) emergency and sole source procurements;
- (7) source selections;
- (8) file documentation of procurements;

- (9) warehousing, inventory and disposition of surplus property;
- (10) economy and efficiency of the procurement process;  
and
- (11) approval of Minority Business Enterprise Plan.

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## SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system of Lander College produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. <u>COMPLIANCE - GOODS AND SERVICES</u>	9
Two procurements were not made in compliance with the Code.	
II. <u>COMPLIANCE - SOLE SOURCE PROCUREMENTS</u>	10
Several problems were found in the sole source area including two procurements that were not sole sources; three justifications prepared after commitments had been made meaning the procurements were unauthorized; failure to report two sole source transactions; and eight transactions reported that should not have been.	
III. <u>ACCOUNTS PAYABLE</u>	12
In one instance payment was made without the supporting receiving report and in three cases discounts were lost.	

## RESULTS OF EXAMINATION

### I. Compliance - Goods and Services

As part of our review of procurements in the area of goods and services, we selected a sample of transactions from the period July 1, 1984 - March 31, 1986 to verify compliance to the Code and regulations. We found the majority of these transactions to be handled properly; however, we noted two exceptions.

Purchase order 14655 for \$3,619.50 which was issued for the installation of a heating/air conditioning unit was supported by three written quotations. The Code, in Section 11-35-1520, requires that competitive sealed bidding be used for procurements greater than \$2,500.00

Purchase order 16120 totalling \$2,646.80 was issued for dictating equipment based on two sealed bids. A solicitation from a minimum of three qualified sources, pursuant to regulation 19-445.2035, is required for a procurement of this dollar amount.

We recommend that Lander make future procurements in compliance with the Code and regulations relative to solicitation methods and the number of qualified sources selected.

### AGENCY RESPONSE

The two exceptions have been duly noted and care will be taken to assure that future procurements are made in compliance with the code and regulations relative to solicitation methods and the number of qualified sources selected.

## II. Compliance - Sole Source Procurements

We reviewed the quarterly reports for sole source procurements for the period July 1, 1984 - March 31, 1986 for compliance to the Code, regulations and internal operating procedures. The majority of these transactions were properly justified and accurately reported to the Division of General Services. However, we did have the following types of exceptions.

1. The following procurements were made improperly as sole sources. Competition should have been solicited.

<u>Purchase Order</u>	<u>Amount</u>	<u>Service</u>
16961	\$3,198.25	Rental of pagers
21294	\$3,333.96	Rental of pagers

2. The determinations for the following three sole source procurements were approved after the fact. The Procurement Code requires that sole sources be approved by persons with requisite authority. Since such approval was not obtained before the purchase commitments were made these transactions must be considered unauthorized procurements.

<u>Purchase Order</u>	<u>Amount</u>	<u>Service</u>
15554	\$1,000.00	Consultant
21888	\$1,000.00	Evaluating Academic Support Programs
22035	\$ 600.00	Lecturer

3. Section 11-35-2440 of the Procurement Code requires governmental bodies to submit quarterly a record of all sole source procurements to the chief procurement

04373

officers. The following two transactions were not included on the college's reports.

<u>Purchase Order</u>	<u>Amount</u>	<u>Service</u>
16961	\$3,198.25	Rental of pagers
20027	\$ 795.00	Maintenance-mailing machine

4. The following eight transactions should not have been reported to General Services for the reasons noted:

<u>Purchase Order</u>	<u>Amount</u>	<u>Service</u>
14745	\$ 550.00	Exempt funds
15038	\$ 750.00	Exempt funds
15306	\$1,000.00	Exempt funds
19788	\$ 850.00	Exempt funds
19789	\$ 850.00	Exempt funds
19790	\$1,500.00	Exempt funds
15132	\$ 200.00	Less than \$500.00
19011	\$6,865.03	Per diem reimbursement to Board of Trustees

We recommend that Lander implement procedures to assure that each transaction determined to be a sole source is properly justified and is reported to General Services. Amended quarterly reports should be filed with the Division to correct reporting inaccuracies indicated above. The three unauthorized procurements must be ratified by the President of the College in accordance with regulation 19-445.2015.

#### AGENCY RESPONSE

Departments involved in the unauthorized procurements have been reminded of procurement requirements and care will be taken to properly justify and report sole source procurements. Amended quarterly reports are being filed with the Division to correct reporting inaccuracies and the three unauthorized procurements have been ratified by the President of the College.

### III. Accounts Payable

Voucher 6008 was issued against purchase order 20571 without a receiving report to verify the receipt of the items ordered. Good internal control requires that a receiving report be prepared confirming receipt of goods.

On the following three vouchers discounts were lost.

<u>Purchase Order</u>	<u>Voucher</u>	<u>Terms</u>	<u>Discount Lost</u>
21932	9313	1 $\frac{1}{2}$ -10	\$ 5.75
19269	2173	1 $\frac{1}{2}$ -10	\$27.20
19729	2286	2 $\frac{3}{4}$ -Tenth of next month	\$22.86

We recommend that receiving reports be obtained and applicable vendor discounts be taken on all transactions. Payment control is critical to do completion of the procurement process.

#### AGENCY RESPONSE

The college will take care to see that such exceptions do not occur in the future.

---



# CERTIFICATION RECOMMENDATIONS

As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings contained in the body of this report we believe, will in all material respects, place Lander College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations. Lander College should take this corrective action prior to October 31, 1986.

Under the authority described in Code Section 11-35-1210, subject to this corrective action, we recommend Lander College be certified to make direct agency procurements up to the limits as follows:

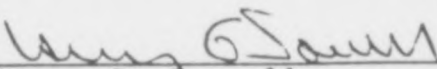
<u>Procurement Areas by Commodity Group</u>	<u>Recommended Certification Limits</u>
Goods and Services	* \$20,000 per commitment
Consultants	* \$10,000 per commitment
Construction	* \$25,000 per commitment
Information Technology excluding printing equipment that must be approved by the Division of Informa- tion Resource Manage- ment	* \$10,000 per commitment

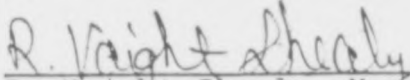
## EXHIBIT

OCT 21 1986 NO. 20

STATE BUDGET & CONTROL BOARD

\* This limit means the total potential purchase commitment to the State whether single-year or multiterm contracts are used.

  
Larry G. Sorrell  
Audit Manager

  
R. Voight Shealy, Manager  
Audit and Certification

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

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SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

September 16, 1986

Mr. William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Bill:

We have returned to Lander College to determine the progress made toward implementing the recommendations in our audit report covering the period July 1, 1984 through March 31, 1986. During this visit, we followed up on each recommendation made in the audit report through inquiry, observation and limited testing.

The Office of Audit and Certification observed that Lander College has corrected the few problem areas found in their procurement system. We feel that, with the changes made, the system's internal controls should be adequate to ensure that procurements are handled in compliance with the Consolidated Procurement Code and ensuing regulations.

We, therefore, recommend that the certification limits as outlined in the audit report be granted for a period of three (3) years.

Sincerely,

*R. Voight Shealy*

R. Voight Shealy, Manager  
Audit and Certification

k1

**EXHIBIT**

OCT 21 1986

NO. 20

STATE BUDGET & CONTROL BOARD

# EXHIBIT

OCT 21 1986 NO. 21

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION  
ITEM NUMBER

15

AGENCY: General Services

SUBJECT: Tort Liability Reinsurance Program

The Division of General Services advises that, on October 1, 1986, the tort liability insurance reinsurer, Michigan Mutual (Amerisure Companies) advised that the rates for six months from January 1 - July 1, 1987, would increase over the rates from the preceding year by approximately 120% due to adverse claims experience. The reinsurer indicated that the contract would expire on July 1, 1987.

BOARD ACTION REQUESTED:

Review a report from Insurance Reserve Fund staff on the tort liability reinsurance program and consider recommendations.

ATTACHMENTS:

04378

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

Blue Agenda

Regular Session Agenda

X Executive Session Agenda

Tuesday, October 21, 1986

1. Submitted By:

(a) Agency: Division of General Services - Insurance Reserve Fund

(b) Authorized Official Signature:

*Richard W. Kelly*

2. Subject:

Tort Liability Reinsurance Program

3. Summary Background Information:

On October 1, 1986, the reinsurer, Michigan Mutual (Amerisure Companies) advised the State that the rates for six months from January 1, 1987 to July 1, 1987 would increase over the rates from the preceeding year by approximately 120% due to adverse claims experience. At that time, the reinsurer indicated that the contract would expire on July 1, 1987.

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4. What is Board asked to do?

Review a report from the Insurance Reserve Fund staff on the situations, and consider recommendations for a solution.

5. What is recommendation of the Board Division involved?

Recommendations are to be furnished in a report presently being prepared. Report to be furnished to Budget and Control Board staff on Friday, October 17, 1986.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

Report to be furnished to Budget and Control Board staff on Friday, October 17, 1986.

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# EXHIBIT

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STATE BUDGET & CONTROL BOARD

REPORT  
TO  
BUDGET AND CONTROL BOARD  
ON  
TORT INSURANCE

October 21, 1986  
South Carolina Insurance Reserve Fund

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## I. Background

Section 1-11-140 of the 1976 South Carolina Code of Laws provides that, "The State Budget and Control Board, through the Division of General Services, is authorized to provide insurance . . . so as to protect the State against tort liability . . ." This authority is delegated to the Insurance Reserve Fund. Purchase of Tort Liability Insurance through the Insurance Reserve Fund is the sole means of procurement of such insurance for governmental entities in the State. Therefore, the Insurance Reserve Fund is required to provide Tort Liability Insurance.

Michigan Mutual Insurance Company has reinsured the Insurance Reserve Fund in the area of Tort Liability Insurance since 1975. Reinsurance has been provided on a 100% basis during this period of time.

In the fall of 1984, the Insurance Reserve Fund solicited bids for renewal of the Tort Liability Reinsurance program. Michigan Mutual was the only responsive bidder to the specifications of the bid process. However, the cost of the program was unacceptable, and the Insurance Reserve Fund, with approval of the Budget and Control Board, negotiated with Michigan Mutual in regard to the cost of the program. The negotiations resulted in a substantial reduction in cost, with the Insurance Reserve Fund agreeing to acceptance of a "claims-made" contract in lieu of an "occurrence" contract and full self-insurance on coverage for denial of due process claims in exchange for the cost reduction. The term of the contract was to be for a period of thirty (30) months.

In the fall of 1985, Michigan Mutual offered the Fund two alternatives: (1) accept a rate increase of 165%; or (2) accept cancellation of the reinsurance contract. Extensive negotiations took place in a crisis atmosphere.

Ultimately, the rate increase was accepted despite actuarial projections which suggested that the 165% rate increase was excessive.

On August 27, 1986, staff met with representatives of Michigan Mutual and were advised that there would be no rate increase for the remaining six months of the Tort Reinsurance contract. On October 1, 1986, Michigan Mutual delivered a letter at 2:30 PM demanding another rate increase of approximately 124% to be effective January 1, 1987 for a period of six months to July 1, 1987. The rate increase will generate an annual premium of approximately \$19 million compared to the current annual premium of \$8.6 million.

## II. Problem

Based on Michigan Mutual's verbal assurances, the staff of the Fund advised the Board that no rate increases would apply for calendar year 1-1-87/88. Acceptance of the Michigan Mutual's proposal will require the expenditure of approximately \$10.4 million more than last year. The State's share of the additional \$10.4 million is approximately \$4 million with the rest being distributed among counties, cities, and school districts. The \$10.4 million is in addition to amounts already budgeted.

In addition to the problem of paying large amounts of premium which have not been budgeted, staff has considerable concern over the projections and loss statistics used by Michigan Mutual to justify a major rate increase just four weeks after Michigan Mutual advised the Fund that there would be no rate increase. As the reports presented to the Board last fall suggest, Michigan Mutual's rate last year was quite likely greater than needed to support the program. Staff assumed that the 1986 rate level would be quite adequate for the first six months of 1987. Therefore, the projections and figures supplied by Michigan Mutual to justify a rate increase are viewed with some skepticism. For example, the premiums and incurred losses for

1985 and 1986 to date are as follows:

<u>Year</u>	<u>Premium</u>	<u>Incurred Losses</u>
1985	\$3,258,137	2,460,612
1986**	\$4,525,602**	1,842,567**

While the 1986 figures are not "mature", and will certainly get worse, the indications observed from the losses and premiums shown above do not appear to justify a 124% rate increase.

Michigan Mutual has left the State very little time to make a decision to accept or reject the rate increase. The state's options at this point are described below.

### III. Current Options

1. The State can accept Michigan Mutual's rate increase for the period 1-1-87/7-1-87. The advantages of accepting Michigan Mutual's proposal are:

\*No exposure to unreinsured Tort losses for the period 1-1-87/7-1-87.

\*Continuity of Claims service.

The disadvantages of accepting Michigan Mutual's proposal are:

\*The State and its subdivisions will be forced to absorb large, un-budgeted premiums.

\*If the Michigan Mutual proposal is rejected, an alternative option must be in place in 10 weeks.

2. The other option is to self insure the Tort Liability Program and to purchase a different reinsurance program designed to limit the State's maximum loss (technically called "Annual aggregate excess" or "stop loss" reinsurance). The advantages of this option are:

\*\*as of 8-30-86

\*The cost of the program would be a great deal less than that proposed by Michigan Mutual.

\*A self-insured program would be controlled by the Insurance Reserve Fund. Changes in the cost of the program could, therefore, be managed in an orderly manner and increased costs could be budgeted.

Disadvantages of the second option are:

\*The Fund does not have adequate staff to adjust Tort claims. Claims service would either be obtained by contract or the staff could be expanded to handle claims. Even should a claims service contract be let, additions to the IRF Claims staff would be required for administrative purposes.

\*There is a possibility that in any given year, the Tort program could lose money. The amount of money that could be lost is limited by the anticipated reinsurance program, but the possibility of loss exists.

#### IV. Background And Discussion Of Options

The insurance marketplace is cyclical. For the past two years, insurers and reinsurers have been reluctant to provide coverage. This reluctance is characterized by increased prices and a reluctance to provide any coverage to certain classes of business (including governmental exposures). The current market conditions are expected to continue for one to three more years.

When the Tort program was last bid, the Fund received only one responsive bid. All participants in the bid advised the Fund's staff that the insurance market was unwilling to provide first dollar, 100% reinsurance. Subsequent

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conversations with Michigan Mutual, other insurers, the London Market, and other state risk managers indicate that it is virtually certain that the Fund will not be able to obtain 100% reinsurance after the expiration of the current reinsurance policy, 7-1-87. Thus, the question of first dollar self-insurance will be addressed shortly regardless of the decision reached on Michigan Mutual's proposal.

As mentioned previously, the staff of the Fund is uncertain as to the accuracy of Michigan Mutual's loss figures and as to the appropriateness of the trending and adjustments used by Michigan Mutual to calculate a 1987 rate. Past actuarial studies indicate that Michigan Mutual's rates for 1986 were, to use the actuarial expression, "excessive". This judgement is borne out by the fact that through the first 8 months of this year, Michigan Mutual's premium was \$4.5 million and their losses totaled \$1.8 million. While it is possible, or even likely, that the losses of \$1.8 million are understated, even if the losses are understated by 100%, Michigan Mutual will still have collected \$4.5 million in premium to pay \$3.6 million in losses.

The Fund's staff has commenced several activities to check Michigan Mutual's figures. Staff has commissioned an actuarial review of Michigan Mutual's claims records. It is anticipated that the review will confirm several noted anomalies which appear to be errors in Michigan Mutual's loss statistics. It is intended that the review will reorder Michigan Mutual's loss statistics to place all statistics on the same basis. Currently, it appears that some of Michigan Mutual's statistics are being recorded on an

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# EXHIBIT

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## STATE BUDGET & CONTROL BOARD

occurrence basis, while other statistics appear to be recorded on a claims made basis. The mixture of different types of statistics produces unreliable and misleading projections.

Unfortunately, the review commissioned by staff will take some time. The time frame which Michigan Mutual's last minute proposal has created is extremely limited. The time frame seems to require that a decision be made prior to receipt of a complete actuarial review of Michigan Mutual's latest statistics. The decision will have to be based largely on last year's available actuarial reviews.

Under the circumstances outlined above, staff recommends the second option-self insurance with an annual aggregate excess reinsurance program. The reasons for the recommendation are as follows:

\*The decision to self-insure the first dollar of exposure is one which will be forced on the State in six months. Staff recommendation is recognition of the inevitable six-months early.

\*Staff is reasonably confident that rate levels for 1986 are adequate to cover losses which may be expected in 1987.

\*If past actuarial studies prove to be inaccurate, the premium collected may not be adequate to pay losses. If that should prove to be the case, losses in excess of premiums will be paid out of the Trust Account and the "stop-loss" reinsurance. While paying any losses from the Trust Account is not a pleasant prospect, such payment if based on a chance of loss. The payment of an additional \$4 million in premium to Michigan Mutual is a certainty.

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V. Procedures To Implement Recommendation

Self-insurance of first-dollar loss represents a considerable departure from the existing program. Several areas will have to be addressed:

1. The overall premium level for calender year 1-1-87/88 will be the same as for calender year 1-1-86/87.
2. The Fund does not currently have the staff to handle an anticipated 1200 to 1400 claims in 1987. In order to handle these claims, the Fund will have to negotiate contracts with one or more independent claims adjusting firms. This claims service must be in place by 1-1-87. In staff's opinion, there is not adequate time available to pursue a normal bid process. Accordingly, staff requests permission to negotiate claims service contracts.

In addition, the Fund has an intense interest in making sure that loss payments are carefully controlled, since excessive payments will have an adverse impact on the financial stability of the Tort Program. In addition, recent experience emphasizes the need to maintain accurate, well organized loss statistics. Therefore, the Fund's staff will need to be expanded to include the following positions:

- \*Two experienced casualty claims examiners.
- \*Two clerical personnel.
- \*One computer programmer.

3. It will be necessary to obtain annual aggregate excess of loss reinsurance. Again, in view of the short time available and the need to have a program in place by 1-1-87, staff requests permission to obtain reinsurance on a negotiated basis. (Staff anticipates following the same approach used in procuring school bus reinsurance last June.)

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VI. Additional Issues To Be Reviewed By The Board

1. The recently passed Tort Claims Act removes the Fund's exclusivity effective 7-1-87. At that time prolitical subdivisions of the State may purchase insurance from several sources other than the Fund.

Currently, some segments of the Fund's insureds (notabley school districts) are paying more premium than is justified by their losses. Other segments of the Fund's insureds (notably cities) are paying less premium than is indicated by their losses. The total premium under current conditions is sufficient to cover anticipated losses. However, if schools withdraw from the Fund, the total remaining premium will not be sufficient to cover the total remaining losses. To protect the stability of the Tort Program, staff intends to implement a rating plan effective 1-1-87. The rating plan, developed by the Fund's actuaries, will decrease school rates by 60% and increase municipal rates by 200%. While a 200% rate increase will be traumatic for cities, the failure to implement the rating plan will jeopardize the Tort Program. Also, the municipalities have the option of buying insurance elsewhere.

2. The 1984 negotiations with Michigan Mutual caused the Tort Program to be converted from an "occurrence" basis to a "claims made" basis. Claims made insurance has a major problem in that coverage ceases upon termination of the insurance policy. In 1984, this problem did not appear to be significant. The Fund was the exclusive source of Tort Insurance, and termination of Tort Policies did not appear to be likely. With the passage of the Tort Claims Act and the removal of exclusivity, termination of claims made policies becomes an issue which must be dealt with.

Discussions with the S. C. Department of Insurance indicate that Insurance Services Office (ISO) has recently received approval of Claims-Made, General Liability Form similiar in many respects to the Tort Policy. The ISO form provides for an unlimited extended reporting premium for an additional premium equal to twice the last annual premium. Subject to actuarial review, staff intends to implement a similiar program effective 7-1-87.

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EXHIBITS

- A. Claims Experience
- B. October 1, 1986 letter from Michigan Mutual

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YEAR	NO. OF EMPLOYEES INSURED	NUMBER OF CLAIMS	TOTAL LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES	PAID PREMIUM	RETROSPECTIVE RATING PREMIUM ADJUSTMENTS AS OF 1986
1975	34,123	49	305,340	181,956	154,208
1976	42,566	96	274,161	319,404	35,399
1977	61,726	143	264,694	461,051	-0-
1978	110,000	138	1,219,698	719,150	1,055,249
1979	130,000	158	1,134,880	867,721	835,244
1980	149,000	164	758,617	995,833	127,028
1981	179,000	196	2,538,494	1,224,991	1,599,999
1982	183,867	265	3,096,721	1,417,464	
1983	185,007	343	2,402,942	1,282,675	
1984	186,787	799	3,220,253	2,305,680	
1985	200,079	(1) 625	(1) 2,460,612	3,258,137	
1986	(2) 201,996	(1) 657	(1) 1,842,567	8,656,973	
				21,691,035	*3,807,127

(1) Valued as of August 30, 1986

(2) As of September 30, 1986

\* Paid \$3,557,691 with \$249,436 billed for 1986.

Note: All claims data provided by Michigan Mutual.

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# Michigan Mutual Insurance

5500 EXECUTIVE CENTER DR. SUITE 106 • P.O. BOX 25908 • CHARLOTTE, NORTH CAROLINA 28212 PHONE: (704) 568-1165

October 1, 1986

\*Mr. James E. Bennett, CPCU  
S. C. Insurance Reserve Fund  
1122 Lady Street, Suite 600  
Columbia, South Carolina 29201

Re: State of South Carolina  
Tort Liability Coverage  
Renewal Proposal: 1/1/87 - 7/1/87

Dear Jim:

In reviewing the experience in connection with the renewal, effective January 1, 1987, it is apparent that the claim frequency is materially greater than anticipated in our rate considerations of a year ago. Specifically, while we were projecting 800 claims for 1986, as of August 30, 1986, 657 claims had been made, with an apparent increasing monthly frequency. Frankly, the tabulation of 657 claims is not an accurate reflection of the frequency as of August 30, 1986, as there is a normal 30-45 day lag in the time the loss is reported, or made, and its recording.

The Tort Liability Act which became effective in July was intended to cap the large awards and to provide some stability in the program. However, I believe it has had an opposite effect in the short-run. This is because the change in the Statute of Limitations from six years to two years has put pressure on claimants to get their claims in early. In addition, of course, is the publicity that this Act has generated which I am sure has an effect on the claim count.

All of this makes it very difficult to price the renewal extension with any degree of accuracy. Whereas in our discussion of the renewal rate treatment a number of weeks ago, I felt confident at that time that the current rates were adequate, and appropriate to the renewal, an analysis of the frequency of claims and past loss trend and development would suggest that this rate structure is not adequate.

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Michigan Mutual Insurance Company    Associated General Insurance Company  
Associated General Life Company

Mr. James E. Bennett, CPCU  
Re: Tort Liability Coverage Renewal  
Proposal for 1/1/87 - 7/1/87

The best we can do is to trend our prior experience and to project our claims count based on the most recent months:

- 1) Include the 1/1/87 to 7/1/87 premium and losses in the retention plan which was originally effective 1/1/85.
- 2) Revise the rates per employee as follows:

\$500,000 Limit: \$43.50 per employee  
\$1,000,000 Limit: \$49.82 per employee

Based on the number of employees insured as of 1/86, this generates a total premium of \$9,680,893. (See detailed summary).

With kind regards,

Sincerely,



I. L. Brady  
Regional Underwriting Manager

ILB/fl

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STATE OF SOUTH CAROLINA TORT LIABILITY

1987 Renewal

Data: (1/1/81 - 12/31/85) Including Trend and Development

Losses limited to 100,000/occurrence	14,196,633
Allocated Expenses	5,601,200
Number of Claims	2,228
Average Claim Cost	6,372
Allocated Expense per Claim	2,514 ) 8886

Number of Employees as of 1/86

500,000 Layer	41,658
1,000,000 Layer	157,994
	<u>199,652</u>

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Premium Development: (500,000 Layer)

Claim Cost (100,000)	6372
Increase Factor (500,000)	<u>x 1.41</u>
Claim Cost (500,000)	8,985
Allocated Expense	<u>2,514</u>
Total	11,499
Number of Claims	<u>x 700</u>
	8,049,300
"Claims Made" factor	<u>.93</u>
	7,485,849
Expense Loading	<u>1,200,000</u>
	8,685,849

Rate per employee 8,685,849 / 199,652 = 43.50

(1,000,000 Layer)

Premium 500,000 Layer	8,685,849
Excess Factor	<u>.23</u>
	1,997,745
Credit for Tort Law	<u>.50</u>
	998,873

Rate per employee 998,873 / 157,944 = 6.32  
for 500 x 500,000

Total Rate 1,000,000 6.32 + 43.50 = 49.82

Summary:

500,000 Limit	41,658 x 43.50 = 1,812,123
1,000,000 Limit	157,944 x 49.82 = 7,868,770
TOTAL	9,680,893

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Proposed time frame for implementation of self-insurance program.

I. Claims Service

- 10-21 Board meeting
- 10-21 PM - contact all major-statewide independent adjusting companies and set up meeting for 10-27.
- 10-27 Meet with adjusting companies and outline proposal to use adjusting companies at a flat rate on a rotating basis. Require commitment by 11-3.
- 11-3 Meet with participants and establish procedures.

Enclosures:

\*List of selected adjusting companies.

\*Scope of services outline.

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II. Annual Aggregate Excess Reinsurance

STATE BUDGET & CONTROL BOARD

- 10-21 Board meeting
- 10-21 PM - Notify Michigan Mutual that the Fund rejects proposed rates and will cancel 1-1-87.
- 10-21 PM - Set up meeting with several brokers and reinsurer for 10-27.
- 10-27 Meet with brokers and reinsurers. Outline reinsurance needs and establish ground rules. Ask for commitment and acceptance of ground rules by 10-31.
- 10-31 Meet with participating brokers/reinsurers. Identify markets and distribute specification/information packets.
- 11-19 Meet with broker/reinsurers. Receive rough proposals. Provide additional information as requested.

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11-19/      Review rough proposals and select which proposals to pursue.  
11-24

11-24      Notify all participants as to whether or not their rough proposals  
            will be pursued.

11-24      Commence negotiations with remaining participants.

1-1-87      Last date to complete negotiations and arrive at contract.

Note:      Overseas Travel may or may not be necessary during the negotiation  
            period (11-24/1-1).

Enclosures:

\*List of selected brokers/reinsurers.

\*Scope of services outline.

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List of Adjusting Firms

GAB

Crawford & Co.

James C. Greene

T. M. Mayfield

Gay & Taylor

UAC

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Selected Reinsurance Brokers

Marsh & McLellan

Fred S. James

Wood & Company

Thomas C. Brown

Associated Intermediaries

G. L. Hodson

Seibels-Bruce

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SCOPE OF SERVICES: Adjusting firm will investigate, evaluate, report, and perform other related adjusting duties on General Liability Claims (Tort). These claims will be referred to the adjusting company by the Claims staff of the Insurance Reserve Fund. These claims will come from all areas of the State of South Carolina. On occasion claims or some part of a claim will be outside the State of South Carolina. Recommendations as to liability and settlement value on individual cases will be encouraged, however, the final decision will rest in the Budget and Control Board through the Division of General Services, Insurance Reserve Fund.

REPORTING: All reports will be made to the Claims Manager of the Insurance Reserve Fund. The first report after the initial assignment should be received by the Fund within seven (7) days. This report should acknowledge the assignment and confirm that the assured and the claimant(s) and/or his/her attorney have been contacted. A full report on more complicated or drawn-out cases should be received by the Insurance Reserve Fund Claims Manager within thirty (30) days. On some cases investigations will exceed thirty (30) days and this is expected on more complicated cases, however, a full report should be received by the Insurance Reserve Fund within thirty (30) days.

Also, some cases that will be assigned can be settled on a first contact basis, and this will be encouraged when damages are in order and liability is clear. The Insurance Reserve Fund would anticipate some limited authority to be extended to the adjusting firm, i.e. \$2,500 for an injury claim, \$2,000 for a property damage claim.

All checks for settlement will be issued by the Fund and the Fund anticipates a three (3) week turnaround for delivery of checks to the adjusting firm.

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PAYMENT: Payment will be made in accordance with terms of accepted proposal and consistent with State of South Carolina payment practices which results in payment usually about three (3) weeks after receiving bill. On lengthy cases, interim billing may be permitted on a ninety (90) or 180 day basis.

QUALIFICATIONS: Each proposal should indicate the firm's ability to furnish qualified and experienced personnel with sufficient expertise to develop general liability claims as required. Other information which may tend to enhance the firm's qualifications may also be considered.

NUMBER OF CLAIMS: The Fund anticipates receiving 1200 claims under a third year, claims made, Tort (General) Liability policy. It is anticipated that many "Fast-track" type claims will be handled by the Fund internally. Approximately 500 to 800 claims will be assigned to outside adjusting firms.

## EXHIBIT

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STATE BUDGET & CONTROL BOARD

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# EXHIBIT

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NO. 21

## Introduction

### STATE BUDGET & CONTROL BOARD

The South Carolina Insurance Reserve Fund is a state agency which functions as a captive insurance organization. Property and casualty insurance is provided for the State and its political subdivisions.

One of the types of insurance issued by the Fund is "Tort Liability". The Tort Liability Policy is based on an ISO CGL policy with broadened personal injury coverage. Effective 1-1-85, the Tort Policy was converted from an occurrence basis to a claims made basis.

The Fund has purchased 100% reinsurance on Tort Liability since the inception of the program in 1975. Recent changes in the market have led us to the conclusion that 100% reinsurance is not available at a reasonable price. Therefore, the Fund has been instructed to self-insure the Tort Liability Program and to purchase Annual Aggregate Excess Reinsurance. The current 100% reinsurance contract expires 12-31-86 and it is the desire of the Fund to obtain an alternate program by that date.

## Time Frame and Ground Rules

Since time is very short, the Fund has been instructed to contact "several" of the major brokers who might provide a market for the needed reinsurance and to negotiate with those brokers.

### \*Ground Rules:

1. All participating brokers must announce their markets and agree not to solicit from each other's markets.
2. All brokers must agree to the following timetable. If a broker does not meet the deadlines, proposals from that broker cannot be considered.

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\*Time Frame:

This document is being distributed at a 2:00 PM meeting on 10-27.

- 10-31 Meet at 2:00 PM. Purpose of the meeting is to identify markets and agree to time table and ground rules. Specifications and information packets will be distributed.
- 10-31/ The Fund will respond to requests for additional information.  
11-19 Information provided to any broker will be mailed to all brokers.
- 11-19 Meet at 2:00 PM and provide the Fund with whatever proposal outlines can be assembled by that date.
- 11-19/ Fund will review proposal outlines, select those which appear to  
11-24 be most promising, and reject the rest.
- 11-24 Notify all participants.
- 11-24 Commence negotiations on selected proposals.

Skeletal Outline of Anticipated Program

Anticipated Written Premium	\$8.6 million
Anticipated Annual Losses (3rd year claims-made)	\$6.5 to \$7 million
Anticipated Annual Aggregate Retention	\$13 million
Desired Reinsurance	\$10 million XS \$13 million
Retroactive Claim-made effective date 1-1-85.	

EXHIBIT

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# EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986  
REGULAR SESSION  
ITEM NUMBER 16

AGENCY: Executive Director

SUBJECT: Regulations on Local Housing Authority Bond Issues

Staff have pursued the development of a set of Board regulations on local housing authority bond issues for multifamily housing projects. The proposed regulations would implement Act 369 of 1986 which authorized city, county and regional housing authorities to issue bonds to finance such projects.

The proposed regulations have been reviewed by the staffs of the State Housing Authority, local housing authorities, the State Auditor's Office, the Governor's Office, the State Treasurer's Office and the Attorney General's Office.

It now appears that the draft attached is acceptable to the groups which have reviewed it. A final, formal response from the association of housing authority executive directors was expected as the agenda materials were being assembled.

The regulations are subject to the formal review process which includes publication in the State Register. The deadline for the October Register is October 22.

BOARD ACTION REQUESTED:

Authorize staff to begin formal public review and comment on the regulations on local housing authority bond issues for multifamily housing by submitting them for publication in the State Register, on the condition that the formal comment from the housing authority executive directors association is supportive.

9/16/86  
DRAFT

ATTACHMENTS:

Referenced regulations

04403

# EXHIBIT

OCT 21 1986

NO. 22

STATE BUDGET & CONTROL BOARD

**BUDGET AND CONTROL BOARD PROCEDURE FOR CONSIDERING  
PROPOSED CITY, COUNTY AND REGIONAL HOUSING AUTHORITY BOND ISSUES  
FOR MULTIFAMILY HOUSING PROJECTS (B&CB, OED 9/16/86 Draft)**

- 6  
7
1. To secure approval of the issue and sale of bonds or notes (hereafter 8  
bonds) by a city, county or regional housing authority (hereafter local 9  
housing authority) to finance multifamily housing projects, as provided in Act 10  
369 of 1986, the following must be submitted to the Budget and Control Board 11  
(Board): 12  
13
- A. An executed original and a copy of the petition of the local housing 14  
authority governing body describing a proposed project, requesting Board 15  
approval of the issue and sale of a specified amount of bonds to finance the 16  
project and, including, if appropriate, a request for an allocation of a 17  
portion of the State Ceiling to the bonds and the project; 18  
19
- B. Two executed copies of the resolution or ordinance of the local housing 20  
authority governing body authorizing the petition to the Board; 21  
22
- C. Two sets of the documents providing for the issuance and securing of 23  
the bonds or drafts thereof in substantially final form; 24  
25
- D. Two sets of audited financial statements of the entity obligated to pay 26  
the bonds covering at least the three prior fiscal years except that, in any 27  
case where the bonds are to be sold privately, a representation from the 28  
person or institution purchasing the bonds that satisfactory financial 29  
information has been provided by that entity and that the bonds are being 30  
purchased for investment rather than resale purposes may be submitted in lieu 31  
of audited financial statements; 32  
33
- E. The original of a resolution approving the bond issue proposed by the 34  
local housing authority governing body for adoption by the Board and copies of 35  
that resolution to be certified by the Board Secretary; 36

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|

F. Two copies of statements disclosing:	1
	2
(1) the results of any market study or other analysis of the multifamily housing needs in the proposed project area which was the basis upon which a determination was made by the local housing authority to issue the bonds to finance the project together with a complete description of the project;	3
	4
	5
	6
	7
	8
(2) the principal amount of the bonds proposed to be issued;	9
	10
(3) the purpose or purposes for which the proceeds of such bonds are to be expended;	11
	12
	13
(4) the maturity schedule of the bonds proposed to be issued;	14
	15
(5) the rate of interest expected on the bonds proposed to be issued;	16
	17
(6) a schedule showing (a) the annual debt service requirements of all outstanding bonds of the local housing authority proposing the bonds;	18
(b) the annual debt service requirements of the proposed bonds; and	19
(c) the aggregate annual debt service requirements of the outstanding and proposed bonds;	20
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(7) a schedule showing the amount and source of revenues available annually for the payment of the annual debt service requirements established by the schedule required by (6), above;	24
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(8) the method to be employed in selling the proposed bonds;	28
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(9) evidence of compliance with applicable provisions of State and federal law prior to the issuance of the bonds;	30
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(10) evidence that the project or projects financed by the bonds will be managed and operated in compliance with applicable provisions of State and federal law including, in those instances determined by the Board, subjecting the project to restrictive covenants to ensure such compliance;	33
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(11) evidence that each bond financing proposed is structured to protect the interests of prospective bondholders and the local housing authority by meeting the following requirements, as a minimum:	39
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(a) With respect to bonds to be offered at public sale:	43
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(1) the issue must be rated no less than "investment grade" by one of the national rating agencies; and	45
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(2) in addition, one or more of the following conditions must be met:	48
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(aa) There must be in effect for the bonds to be issued a federal program which provides assistance in the payment of the principal and interest when due to bondholders.	51
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## EXHIBIT

OCT 21 1986

NO. 22

STATE BUDGET & CONTROL BOARD

04405

2



- (bb) The lendable proceeds of the bond sale must be used to acquire either federally-insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in South Carolina.
- (cc) The payment of principal and interest when due to bond purchasers and bondholders must be insured by the maintenance of adequate reserves or by insurance or by a guaranty by a responsible entity.
- (b) With respect to bonds sold or placed as "Mortgage bonds sold as a unit" or in "Transactions with banks, institutional buyers, etc...", as provided in Code §35-1-320, the documents pursuant to which bonds are issued must permit the local housing authority to avoid any default by it by completing an assignment of or foregoing its rights with respect to any collateral or security pledged to secure the bonds.
- (c) With respect to any bonds offered for sale upon the representation that the interest paid thereon by the issuer is exempt from federal income taxation, the documents pursuant to which bonds are issued must require the mandatory redemption of the bonds at par value if the interest paid thereon is determined to be subject to federal income taxation.
- (12) evidence that every official statement, preliminary official statement, and any other document used in the sale of any bond issued by a local housing authority includes the following disclaimer:
- No representation is made by or on behalf of the State of South Carolina or the State Budget and Control Board as to the creditworthiness of the securities hereby offered. Neither the State of South Carolina nor any of its agencies is obligated for the payment of any principal or interest due or to become due on the securities hereby offered for sale.
- (13) the local housing authority's agreement that the management agent for any project approved by the Budget and Control Board must also be approved by the Board.

## EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET & CONTROL BOARD

04406

3

2. Before the Board will grant final approval in whole or in part to a  
petition by the governing body of a local housing authority to issue bonds,

A. the petition, the resolution or ordinance, the documents providing for  
the issuance and securing of the bonds, and the proposed Board resolution must  
have been reviewed and found legally adequate by the Office of the Attorney  
General;

B. the financial statements of the entity obligated to pay the bonds  
(which are considered part of the Auditor's working papers) must have been  
reviewed and the financial condition of the entity must have been found to be  
such that the Office of State Auditor found no reason for the Board to  
disapprove the petition and the Board must have determined, upon the advice of  
the Office of State Auditor, that the funds estimated to be available for the  
repayment of the local housing authority's bonds, including the proposed  
bonds, will be sufficient to provide for the payment of the principal and  
interest on the local housing authority's bonds to be outstanding as they  
become due; and

C. the statements required to be submitted to the Board as described in  
1.F., above; the documents providing for the issuance and securing of the  
bonds; and the results of the reviews required in 2. A. and 2. B., above, must  
have been reviewed by the Board's Office of Executive Director and, on the  
basis of this review, the Board's Office of Executive Director must have  
recommended to the Board that it take one of the following actions: (1)  
approve the petition; (2) approve the petition with conditions; or  
(3) disapprove the petition.

## EXHIBIT

OCT 21 1986 NO. 2 2

STATE DIRECT & CONTROL BOARD

04407

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3. The governing body of the local housing authority or its agent must notify the Board Secretary not less than six (6) days prior to the Board meeting it proposes that a particular petition be acted upon and that governing body must submit to the Board Secretary at that time all of the documents required. If the reviews required in 2, above, are not completed prior to the Board meeting at which a petition is scheduled to be considered, the Board at that meeting may grant approval on the condition that the required reviews are completed with results which recommend approval of the petition, as determined by the Board Secretary, within not more than thirty (30) days of the date of the Board meeting at which the petition was scheduled for consideration, except in extraordinary cases. If any of the required reviews result in a recommendation that the petition be approved by the Board with conditions or that it be disapproved, the Board Secretary must include that petition on the agenda of the next next regular meeting of the Board for its consideration and final decision.

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## EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET & CONTROL BOARD

04408

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4. After Board approval of a local housing authority petition, the local housing authority involved must periodically review and report to the Board on the operation of projects approved by the Board to ensure their compliance with State and federal law. As a means of guiding its project monitoring activities, the Board will issue a manual which is consistent with these regulations which outlines the procedures to be followed by local housing authorities in reporting on the operation of projects approved by the Board for distribution to local housing authorities and other interested parties. The manual must be approved by the Board for distribution not more than ninety (90) days after the approval of these regulations by the General Assembly. As a part of its on-going involvement with local housing authorities, the Board annually must provide to any local housing authority which has issued bonds approved by the Board a schedule showing maximum allowable income adjusted for family size which must be used to determine eligibility of prospective tenants for the purpose of ensuring compliance with federal and State law.

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## EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET & CONTROL BOARD

04409

6

OCT - 6 1986

State of South Carolina



State Budget and Control Board

OFFICE OF THE STATE AUDITOR

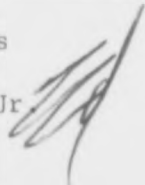
P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 734-1727

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

MEMORANDUM

TO: William A. McInnis

FROM: Edgar A. Vaughn, Jr. 

DATE: October 3, 1986

SUBJECT: Budget and Control Board Procedures for Considering Proposed  
City, County and Regional Housing Authority Bond Issues for  
Multifamily Housing Projects

I have reviewed your revised Draft of the proposed regulation referenced above. Except for the very minor word change that I mentioned to you the other day, the procedures outlined in the regulation appear to be complete and workable. I have no problems with them. You have done a good job in putting this document together.

EAV/jp

EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET & CONTROL BOARD

04410

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR



NOV 17 1986



**SOUTH CAROLINA STATE HOUSING AUTHORITY**

1710 GERVAIS STREET • SUITE 300 • COLUMBIA, SOUTH CAROLINA 29201

September 26, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Dear Bill:

This letter confirms our conversation today concerning the draft regulations on Budget and Control Board procedures concerning local housing authority multifamily bond issues. After a thorough review of the new proposed regulations and our discussions, I concur with the contents and the methodology being recommended.

Warm regards.

Sincerely,

Linwood H. Ransom, Jr.  
Executive Director

LHRjr/fh

**EXHIBIT**

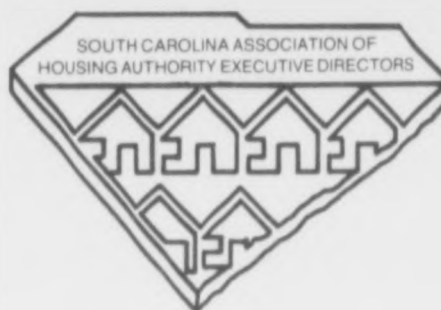
OCT 21 1986

NO. 22

STATE BUDGET & CONTROL BOARD

**04411**

SEP 15 1986



OFFICERS  
PRESIDENT  
DONALD J. CAMERON  
CHARLESTON

VICE-PRESIDENT  
ANNE HARTSELL  
GEORGETOWN

SECRETARY/TREASURER  
LOUISE M. STARNES  
FORT MILL

20 FRANKLIN STREET  
CHARLESTON, SOUTH CAROLINA 29401  
(803) 723-1116

September 11, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Subject: Draft Regulation for Multi-family Bond Issues  
for Local Housing Authorities

Dear Mr. McInnis:

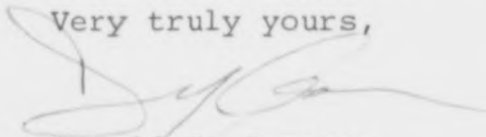
Since my correspondence to you on July 7, 1986 the membership of the Housing Directors Association has met and taken the following action:

1. Endorse the retention of the law firm of Adams, Quackenbush, Herring & Stuart to represent our interests. Contact person Mr. Hardwick Stuart, Jr.
2. Unanimously voted to reject the draft regulations as originally drafted.
3. Propose the attached amended regulations be considered by the Board. (Note: delete that which is yellow and substitute that which is in red pen).

4/24/86  
DRAFT

At your convenience, please advise me of where we go from here as far as review, etc.

Very truly yours,

  
Donald J. Cameron  
Executive Director

DJC:ibh

EXHIBIT

OCT 21 1986

NO. 22

STATE BUDGET & CONTROL BOARD

04412

**DRAFT** 4/24/86

**BUDGET AND CONTROL BOARD PROCEDURE FOR CONSIDERING  
PROPOSED CITY, COUNTY AND REGIONAL HOUSING AUTHORITY BOND ISSUES  
FOR MULTIFAMILY HOUSING PROJECTS (B&CB, OED 4/24/86 Draft)**

1. To secure approval of the issue and sale of bonds or notes (hereafter  
bonds) by a city, county or regional housing authority (hereafter local  
housing authority) to finance multifamily housing projects, as provided in Act  
369 of 1986, the following must be submitted to the Budget and Control Board  
(Board):

A. An executed original and a copy of the petition of the local housing  
authority governing body describing a proposed project, requesting Board  
approval of the issue and sale of a specified amount of bonds to finance the  
project and, including, if appropriate, a request for an allocation of a  
portion of the State Ceiling to the bonds and the project;

B. Two executed copies of the resolution or ordinance of the local housing  
authority governing body authorizing the petition to the Board;

C. Two sets of the documents providing for the issuance and securing of  
the bonds or drafts thereof in substantially final form;

D. Two sets of audited financial statements of the entity obligated to pay  
the bonds covering at least the three prior fiscal years except that, in any  
case where the bonds are to be sold privately, a representation from the  
person or institution purchasing the bonds that satisfactory financial  
information has been provided by that entity and that the bonds are being  
purchased for investment rather than resale purposes may be submitted in lieu  
of audited financial statements;

E. The original of a resolution approving the bond issue proposed by the  
local housing authority governing body for adoption by the Board and copies of  
that resolution to be certified by the Board Secretary;

**EXHIBIT**

OCT 21 1986

NO. 22

04413

STATE BUDGET &amp; CONTROL BOARD

DRAFT 4/24/86

## F. Two copies of statements disclosing:

- (1) the results of any market study or other analysis of the multifamily housing needs in the proposed project area which was the basis upon which a determination was made by the local housing authority to issue the bonds to finance the project together with a complete description of the project;
- (2) the principal amount of the bonds proposed to be issued;
- (3) the purpose or purposes for which the proceeds of such bonds are to be expended;
- (4) the maturity schedule of the bonds proposed to be issued;
- (5) the rate of interest expected on the bonds proposed to be issued;
- (6) a schedule showing (a) the annual debt service requirements of all outstanding bonds of the local housing authority proposing the bonds; (b) the annual debt service requirements of the proposed bonds; and (c) the aggregate annual debt service requirements of the outstanding and proposed bonds;
- (7) a schedule showing the amount and source of revenues available annually for the payment of the annual debt service requirements established by the schedule required by (6), above;
- (8) the method to be employed in selling the proposed bonds;
- (9) evidence of compliance with applicable provisions of State and federal law prior to the issuance of the bonds;
- (10) evidence that the project or projects financed by the bonds will be managed and operated in compliance with applicable provisions of State and federal law including, in those instances recommended by the State Housing Authority or its designee and approved by the Board, subjecting the project to restrictive covenants to ensure such compliance;
- (11) evidence that each bond financing proposed is structured to protect the interests of prospective bondholders and the local housing authority by meeting the following requirements, as a minimum:
  - (a) With respect to bonds to be offered at public sale:
    - (1) the issue must be rated no less than "investment grade" by one of the national rating agencies; and
    - (2) in addition, one or more of the following conditions must be met:
      - (aa) There must be in effect for the bonds to be issued a federal program which provides assistance in the payment



DRAFT 4/24/86

of the principal and interest when due to bondholders.

(bb) The lendable proceeds of the bond sale must be used to acquire either federally-insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in South Carolina.

(cc) The payment of principal and interest when due to bond purchasers and bondholders must be insured by the maintenance of adequate reserves or by insurance or by a guaranty by a responsible entity.

(b) With respect to bonds sold or placed as "Mortgage bonds sold as a unit" or in "Transactions with banks, institutional buyers, etc...", as provided in Code §35-1-320, the documents pursuant to which bonds are issued must permit the local housing authority to avoid any default by it by completing an assignment of or foregoing its rights with respect to any collateral or security pledged to secure the bonds.

(c) With respect to any bonds offered for sale upon the representation that the interest paid thereon by the issuer is exempt from federal income taxation, the documents pursuant to which bonds are issued must require the mandatory redemption of the bonds at par value if the interest paid thereon is determined to be subject to federal income taxation.

(12) evidence that every official statement, preliminary official statement, and any other document used in the sale of any bond issued by a local housing authority includes the following disclaimer:

No representation is made by or on behalf of the South Carolina State Budget and Control Board or the South Carolina State Housing Authority as to the creditworthiness of the securities hereby offered. Neither the State of South Carolina nor any of its agencies is obligated for the payment of any principal or interest due or to become due on the securities hereby offered for sale.

(13) the local housing authority's agreement that the management agent for any project approved by the Board must be approved by the State Housing Authority or its designee. *South Carolina State Budget and Control Board.*

EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET &amp; CONTROL BOARD

04415

3



DRAFT 4/24/16

2. Before the Board will grant final approval in whole or in part to a  
petition by the governing body of a local housing authority to issue bonds,

A. the petition, the resolution or ordinance, the documents providing for  
the issuance and securing of the bonds, and the proposed Board resolution must  
have been reviewed and found legally adequate by the Office of the Attorney  
General;

B. the financial statements of the entity obligated to pay the bonds  
(which are considered part of the Auditor's working papers) must have been  
reviewed and the financial condition of the entity must have been found to be  
such that the State Auditor or his designee found no reason for the Board to  
disapprove the petition;

C. the State Housing Authority or its designee must have reviewed the  
statements required to be submitted to the Board as described in 1.F., above,  
and the documents providing for the issuance and securing of the bonds and, on  
the basis of these reviews, the State Housing Authority or its designee must  
have recommended to the Board that it (1) approve the petition; (2) approve  
the petition with conditions; or (3) disapprove the petition; and

D. the Board must have determined, upon the advice of the State Auditor or  
his designee and the State Housing Authority or its designee, that the funds  
estimated to be available for the repayment of the local housing authority's  
bonds, including the proposed bonds, will be sufficient to provide for the  
payment of the principal and interest on the local housing authority's bonds  
to be outstanding as they become due.

**DRAFT** 4/24/86

3. The governing body of the local housing authority or its agent must notify 1  
the Board Secretary not less than six (6) days prior to the Board meeting it 2  
proposes that a particular petition be acted upon and that governing body must 3  
submit to the Board Secretary at that time all of the documents required. If 4  
the reviews required in 2, above, are not completed prior to the Board meeting 5  
at which a petition is scheduled to be considered, the Board at that meeting 6  
may grant approval on the condition that the required reviews are completed 7  
with results which recommend approval of the petition, as determined by the 8  
Board Secretary, within not more than thirty (30) days of the date of the 9  
Board meeting at which the petition was scheduled for consideration, except in 10  
extraordinary cases. If any of the required reviews result in a 11  
recommendation that the petition be approved by the Board with conditions or 12  
that it be disapproved, the Board Secretary must include that petition on the 13  
agenda of the next next regular meeting of the Board for its consideration and 14  
final decision. 15  
16

**DRAFT** 4/24/16

4. After Board approval of a petition, the State Housing Authority must  
periodically review the operation of projects approved by the Board to ensure  
their compliance with State and federal law. As a means of guiding its  
project monitoring activities on behalf of the Board and of advising local  
housing authorities of the detailed procedures the State Housing Authority  
will follow in its review of pre-issue project selection, financing and  
project management and operation, the State Housing Authority must prepare a  
manual which is consistent with these regulations for distribution to local  
housing authorities and other interested parties. The manual proposed by the  
State Housing Authority must be submitted to the Board for its approval not  
more than ninety (90) days after the approval of these regulations by the  
General Assembly. As a part of its on-going involvement with local housing  
authorities, the State Housing Authority annually must provide to any local  
housing authority which has issued bonds approved by the Board a schedule  
showing maximum allowable income adjusted for family size which must be used  
to determine eligibility of prospective tenants for the purpose of ensuring  
compliance with federal and State law.

STATE BUDGET AND CONTROL BOARD

Notice of Drafting Period

The State Budget and Control Board intends to issue regulations which prescribe the Board's procedures for considering bond issues for multifamily housing proposed by city, county and regional housing authorities in accord with Code §31-3-20, et seq., as amended by H.2781. The drafting period will continue until at least May 21, 1986.

Interested persons may submit comments on this subject before May 21, 1986, as follows: (1) by mailing written comments to William A. McInnis, Box 12444, Columbia, SC 29211; or (2) by calling him at 758-5606.

William A. McInnis  
Secretary

State Register 4/25/86, page 24

EXHIBIT

OCT 21 1986 NO. 22

STATE BUDGET & CONTROL BOARD

04419

# EXHIBIT

OCT 21 1986

NO. 23

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION

ITEM NUMBER

17

AGENCY: Family Farm Development Authority

SUBJECT: Agricultural Development Bonds

The Family Farm Development Authority requests Board approval of the issuance of Agricultural Development Revenue Bonds for the following projects and asks that an allocation of a portion of the State Ceiling be made for each:

- |                    |  |
|--------------------|--|
| (1) Borrower:      | James T. Sprouse   |
| Principal Amount:  | \$300,000  |
| Purpose:           | Construct two brooder houses and six range houses and purchase land                                  |
| Maturity Schedule: | 120 monthly payments of principal in the amount of \$2,500 plus interest at a rate not to exceed 12% |
| Bond Purchaser:    | NCNB of South Carolina   |
|                    |  |
| (2) Borrower:      | John C. Cato   |
| Principal Amount:  | \$175,000  |
| Purpose:           | Construction of turkey brooder house and three range houses  |
| Maturity Schedule: | 10 equal annual payments of principal plus interest at a rate not to exceed 12%                      |
| Bond Purchaser:    | NCNB of North Carolina   |

BOARD ACTION REQUESTED:

Adopt resolutions approving the issuance of Agricultural Development Revenue Bonds by the Family Farm Development Authority for the referenced projects; and allocate a portion of the state ceiling to each project.

ATTACHMENTS:

Referenced resolutions

04420



# The State of South Carolina EXHIBIT

OCT 21 1986

NO. 23

STATE BUDGET & CONTROL BOARD

## South Carolina State Family Farm Development Authority

### Members

JOE W. KING, Chairman  
MELVIN L. CRUM, Vice Chairman  
ROY L. GRAHAM, JR., Secretary  
J. EDWARD BROWN  
JAMES G. FOODY  
STEVEN P. NIVENS  
STANLEY E. WASKIEWICZ  
**Chairman Emeritus**  
RAYMOND S. CAUGHMAN

P.O. Box 11735  
Columbia, S.C. 29211  
(803)758-5956

OCTOBER 15, 1986

### Ex Officio

GOVERNOR RICHARD W. RILEY  
WALLACE BROWN, Designee  
COMMISSIONER D. LESLIE TINDAL  
HARRY BUSBEE, Designee  
SENATOR WILLIAM W. DOAR  
SENATOR T. ED GARRISON, Designee  
REPRESENTATIVE JOHN J. SNOW, JR.  
REPRESENTATIVE THOMAS N. RHOAD, Designee  
**Executive Director**  
CLYDE B. LIVINGSTON

MR. WILLIAM A. MCINNIS  
DEPUTY EXECUTIVE DIRECTOR  
POST OFFICE BOX 12444  
WADE HAMPTON BUILDING, ROOM 618  
COLUMBIA, SOUTH CAROLINA 29211

DEAR BILL:

ENCLOSED ARE THE ORIGINAL AND TWO (2) COPIES OF RESPECTIVE PETITIONS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY IN REGARD TO THE FOLLOWING BOND ISSUES:

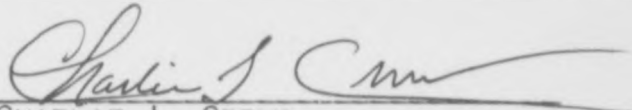
1. SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY \$300,000 AGRICULTURAL DEVELOPMENT BOND (JAMES T. SPROUSE, PROJECT), 1986 (THE "BOND"), BEING DESCRIBED ON EXHIBIT B ATTACHED HERETO.
2. SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY \$175,000 AGRICULTURAL DEVELOPMENT BOND (JOHN C. CATO, PROJECT), 1986 (THE "BOND"), BEING DESCRIBED ON EXHIBIT B ATTACHED HERETO.

I REQUEST THAT THESE ISSUES BE PLACED ON THE BUDGET AND CONTROL BOARD'S AGENDA FOR ITS MEETING ON OCTOBER 21, 1986.

ALSO ENCLOSED ARE TWO (2) COPIES OF RESPECTIVE RESOLUTIONS OF THE BOARD FOR EACH OF THE ISSUES. UPON ADOPTION, PLEASE CERTIFY EACH OF THE RESOLUTIONS AND FORWARD THEM TO: DANIEL R. MCLEOD, JR., ESQUIRE, MCNAIR LAW FIRM, POST OFFICE BOX 11390, COLUMBIA, SOUTH CAROLINA, 29211.

04421

IF THERE SHOULD BE ANY QUESTIONS PLEASE CONTACT ME.

  
CHARLIE I. CREWS  
BOND DIRECTOR

ENCLOSURES

CC: DANIEL R. MCLEOD, JR.  
(WITHOUT ENCLOSURES)

EXHIBIT

OCT 21 1986 NO. 23

STATE BUDGET & CONTROL BOARD

04422

OCT 23 1986

The State of South Carolina



Office of the Attorney General

EXHIBIT

OCT 21 1986

NO. 23

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-734-3680

October 22, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Columbia, South Carolina 29201

Re: \$300,000 Richland County, South Carolina,  
Agriculture Development Bond,  
(James T. Sprouse)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 46-47-10, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

04423

# EXHIBIT

OCT 21 1986

NO. 23

STATE OF SOUTH CAROLINA )

James T. Sprouse

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. MCINNIS, 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, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, 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, October 21, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting except Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, who moved its adoption; the motion was seconded by Mr. Morris, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously 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.

October 23, 1986

William A. McInnis

04424

# EXHIBIT

OCT 21 1986

NO. 23

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

OF THE STATE BUDGET AND CONTROL BOARD APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY OF A \$300,000 AGRICULTURAL DEVELOPMENT BOND (JAMES T. SPROUSE PROJECT), 1986.

WHEREAS, it is provided by the South Carolina State Family Farm Development Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, now codified as Chapter 47, Title 46 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), that upon approval by the State Budget and Control Board (the "Board"), the South Carolina State Family Farm Development Authority (the "Authority") may borrow money through the issuance of its negotiable bonds in order to finance its programs; and

WHEREAS, the Authority has established a direct loan program (the "Direct Loan Program") as provided in Section 15 of the Act (now codified as section 46-47-90); and

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$300,000 Agricultural Development Bond (James T. Sprouse Project), 1986 (the "Bond"), which Bond has been authorized to be issued pursuant to Resolution No. 86-0019 adopted on September 26, 1986, by the Authority.

WHEREAS, the Bond shall be dated, shall mature, shall bear interest at the rate set forth on Exhibit B attached to the Authority's Petition and shall otherwise contain such terms and conditions as previously authorized by the Resolution of the Authority and shall be sold to NCNB of South Carolina, in Columbia, South Carolina; and

WHEREAS, the Authority has presented to the Board the Petition which, together with exhibits and schedule thereto attached, sets forth certain information with respect to the Direct Loan Program and the Bond.

WHEREAS, the Board has determined, based upon such information, that the funds estimated to thereafter be available for the repayment of the Bond will be sufficient to provide for the payment of the principal and interest on the Bond as they become due;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:



Section 1. It is found and determined that the facts set forth in the preambles to this Resolution and in the Petition are in all respects true and correct.

Section 2. The Petition filed by the Authority contain all matters required by the Act and the rules of the Board to be set forth therein.

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$300,000 Agricultural Development Bond (James T. Sprouse Project), 1986, in order to make a mortgage loan or secured loan to the James T. Sprouse (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by the Farmer.

The Bond shall be issued and secured as provided in the Resolution of the Authority.

Section 4. This Resolution shall take effect immediately upon its adoption.

Dated: October 21, 1986

# EXHIBIT

State of South Carolina

OCT 21 1986

NO. 23

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

October 21, 1986

### C E R T I F I C A T E

#### STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority  
\$300,000  
Agricultural Development Revenue Bonds  
(James T. Sprouse Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire December 31, 1986, 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, Board Regulation §19-103.06 and §19-103.07 require 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.

In accord with Internal Revenue Code Section 103(n)(12)(A), I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04427

EXHIBIT

State of South Carolina

OCT 21 1986

NO. 23

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444

Columbia  
29211

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

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

November 6, 1986

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)

FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority  
c/o Mr. Daniel R. McLeod, Jr.  
McNair Law Firm  
Box 11390  
Columbia, SC 29201

RE: Issue of \$300,000 Family Farm Development Authority  
Agricultural Development Revenue Bonds  
(James T. Sprouse Project)  
Issue Date Projected By Issuing Authority: November 6, 1986  
Allocation Expiration Date: December 31, 1986  
Issue Amount Certificate Date: November 4, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

*William A. McInnis*

William A. McInnis, Secretary

04428

NOV - 5 1986  
11:38 A.M. *AL*

McNAIR LAW FIRM, P. A.  
ATTORNEYS AND COUNSELORS AT LAW  
NCNB TOWER  
POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

ROBERT E. McNAIR  
TERRELL L. GLENN  
JAMES S. KONDOUROIS  
O. WAYNE CORLEY  
E. MILEED SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
EMORY M. SNEEDEN  
EDWARD H. FORGOTSON\*  
STEPHEN KOPLAN\*  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN\*  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MILEED, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.

HUEL D. ADAMS, JR.  
JAMES R. FIELDS, JR.  
M. CRAIG GARNER, JR.  
LAWRENCE R. HIGGINS\*  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
EDWIN W. JOHNSON II  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN CRUM MCKINNEY  
E. RUSSELL JETER, JR.  
M. WILLIAM YOUNGBLOOD  
CARL B. CARRUTH  
JOHN W. HUNTER\*  
RICHARD J. MORGAN  
J. SIMON FRASER  
CHRISTOPHER M.G. HOLMES

DEBORAH K. OWEN\*  
SARA S. ROGERS  
PAUL E. SULLIVAN\*  
DOROTHY M. HELMS  
NANCY PAGE  
SANDRA L. RANDELMAN  
JANE W. TRINKLEY  
J. LYLES GLENN IV  
CELESTE TILLER JONES  
KATHERINE ELIZABETH MIMS  
JOSEPH D. WALKER  
NANCY R. JEFFERS  
AUSON RENEE LEE  
MARTHA R. MULLIN  
GREGORY D. DELGADO  
WILLIAM ASHLEY JORDAN, JR.  
ELIZABETH BOWE ANDERS  
WILLIAM M. MUSSER  
SHARON E. CRAWLEY  
T. PARKIN HUNTER  
ROBERT F. McMAHAN, JR.  
MARY DONNE PETERS

November 4, 1986

HAND DELIVERED

THOMAS H. BARKSDALE, JR.\*  
JAMES E. CARR  
RALPH W. KITTLE\*  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 1201  
NCNB PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
NCNB BUILDING  
POPE AVENUE  
POST OFFICE BOX 5914  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5169

WASHINGTON OFFICE  
SUITE 400  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3900

\*NOT ADMITTED IN SOUTH CAROLINA

Mr. William McInnis  
Deputy Director  
State Budget & Control Board  
618 Wade Hampton Office Bldg.  
Columbia, South Carolina 29211

Re: South Carolina State Family Farm Development Authority,  
Agricultural Development Bond (James T. Sprouse Project)  
\$300,000, 1986

Dear Mr. McInnis:

Enclosed is a copy of the Internal Revenue Service Form 8038 which has been executed by Clyde Livingston, Executive Director of Family Farm Development Authority, for the above-referenced bond issue. A closing for this issue is scheduled for November 6, 1986. I request that you provide me an allocation certificate relating to State Ceiling for each bond issue.

Thank you for your cooperation. With kind regards, I am

Yours very truly,

*Sandra S. Chastian*

Sandra S. Chastian  
Paralegal, Bond Department

SSC/nes

Enclosure

EXHIBIT

OCT 21 1986

NO. 23

STATE BUDGET & CONTROL BOARD

04429



## Part I Reporting Authority

Check box if Amended Return ► ☐

1 Issuer's name South Carolina State Family Farm Development Authority	2 Issuer's employer identification number 69-057001-212
3 Number and street 915 South Main Street	4 Issue number 86-15
5 City or town, State and ZIP code Columbia, South Carolina 29201	6 Date of issue November 6, 1986

**Part II** Type of Issue (Check box(es) that apply)

Bonds other than Industrial Development Bonds (IDBs):		Face Amount
7	<input type="checkbox"/> Student loan bond	
8	<input type="checkbox"/> Qualified mortgage bond; (attach copy of State certification) Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/>	
9	<input type="checkbox"/> Qualified veterans' mortgage bond	
10	<input type="checkbox"/> Private exempt entity bond	
<b>Industrial Development Bonds:</b>		
11	<input type="checkbox"/> Industrial park bond	
12	<input checked="" type="checkbox"/> Small issue IDB; Check box if \$10 million small issue election <input type="checkbox"/>	300,000
<b>Exempt Activity Bond (check type(s) below):</b>		
a	<input type="checkbox"/> Residential rental projects (section 103(b)(4)(A))	
b	<input type="checkbox"/> Sports facilities (section 103(b)(4)(B))	
c	<input type="checkbox"/> Convention facilities (section 103(b)(4)(C)); Check box if exempt from volume limitations <input type="checkbox"/>	
d	<input type="checkbox"/> Airports, docks, etc., (section 103(b)(4)(D)); Check box if exempt from volume limitations <input type="checkbox"/>	
e	<input type="checkbox"/> Sewage or waste disposal facilities (section 103(b)(4)(E))	
f	<input type="checkbox"/> Pollution control facilities (section 103(b)(4)(F))	
g	<input type="checkbox"/> Water furnishing facilities (section 103(b)(4)(G))	
h	<input type="checkbox"/> Hydroelectric generating facilities (section 103(b)(4)(H))	
i	<input type="checkbox"/> Mass commuting vehicles (section 103(b)(4)(I))	
j	<input type="checkbox"/> Local district heating or cooling facilities (section 103(b)(4)(J))	
k	<input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (section 103(b)(4)(E))	

### Part III Description of Obligations

(A) Maturity date	(B) Face amount	(C) Stated interest rate	(D) Term (in years)
May 6, 1997	\$300,000	75% of the Prime % Rate of NCNB % of South Carolina % announced from % time to time not % to exceed 12% % % %	10.5
OCT 21 1986	NO. 23	% % %	
STATE BUDGET & CONTROL BOARD		% % % %	

15	Weighted average maturity of the issue	10.5	years
16	If issue is an advance refunding, enter the earliest call date		

#### Part IV Proceeds of Issue

17	Total purchase price (regs. section 1.103-13(d)(2)) . . . . .	300,000
18	Proceeds used for bond issuance costs . . . . .	3,100
19	Proceeds allocated to reasonably required reserve or replacement fund . . . . .	-0-
20	Proceeds used to refund prior issues . . . . .	-0-
21	Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17) . . . . .	296,900



**Part V Description of Property Financed by Non-refunding Proceeds**  
(Do not complete for student loan bonds or mortgage bonds)

<b>22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)</b>		
a	3-yr. ACRS property	
b	5-yr. ACRS property	
c	10-yr. ACRS property	
d	15-yr. ACRS property	296,900
e	18-yr. ACRS property	
f	Cost of land	
g	Cost of other property (see instructions)	
<b>23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)</b>		
<b>24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.</b>		
	SIC Code	Non-refunding proceeds \$
a	0400	\$296,900
b		
c		
	SIC Code	Non-refunding proceeds \$
d		
e		
f		

**25 Average weighted economic life of the project (complete only for IDBs) See Schedule A** Not less than 10 years.**Part VI Description of Initial Principal Users**  
(Do not complete for student loan bonds or mortgage bonds)

<b>26 Initial Principal Users:</b>			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	James T. Sprouse	2065 Leatherwood Court	
(ii)		Rock Hill, South Carolina 29730	
(iii)			
(iv)			
(v)			
<b>27 Common parents (if any) of initial principal users listed above</b>			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VII Approval of Issue (Complete only for IDBs)**

- 28 Name of Governmental units approving issue** ▶ South Carolina State Family Farm Development Authority, South Carolina State Budget and Control Board - See Schedule B
- 29 Names and positions of applicable elected representatives or date of referenda approving issue** ▶ See Schedule C

**Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds**

<b>1</b>	Issuer's volume limitation	
<b>2</b>	Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
<b>3</b>	Amount of bonds previously issued	
<b>4</b>	Unused volume limitation (subtract lines 2 and 3 from line 1)	

<b>Please Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
	Signature of preparer	Date 11/6/86
<b>Paid Preparer's Use Only</b>	Preparer's signature	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address	Preparer's social security no.
	McNAIR LAW FIRM, P.A. P.O. Box 11390, Columbia, S.C.	E.I. No. 57-0703244 ZIP code 29211

[To be retyped on CPA's letterhead]

Schedule A

November 6, 1986

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

Re: South Carolina State Family Farm Development  
Authority, Agricultural Development Revenue  
Bonds (James T. Sprouse Project), 1986,  
\$300,000

This letter is being given to you with regard to the \$300,000 South Carolina State Family Farm Development Authority, Agricultural Development Bond (James T. Sprouse Project), 1986 (the "Bond"). I have reviewed the description of the property to be financed with the proceeds of the Bond provided me by James T. Sprouse which is set forth as Exhibit A hereto, and based upon that description I have made the following determination:

The average maturity of the Bond does not exceed 120% of the average reasonably expected economic life of the buildings, machinery, equipment, apparatus, office furnishings and any other items to be financed in whole or in part with the proceeds of the Bond as shown on Exhibit A attached hereto.

The economic useful life of each item has been derived in accordance with administrative guidelines established for the useful lives used for depreciation prior to the ACRS System.

Very truly yours,

---

Certified Public Accountant

04432

Exhibit A

Description:

construct two brooder houses and six range  
houses and purchase land

04433

Schedule B

SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

Joseph W. King, Chairman  
Steven P. Nivens  
John E. Brown  
Roy L. Graham, Jr.  
Melvin L. Crum  
Stanley E. Waskiewicz  
James Foody

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

Governor Richard W. Riley, Chairman  
Grady L. Patterson, Jr., State Treasurer  
Earle E. Morris, Jr., Comptroller General  
Rembert C. Dennis, Chairman, Senate Finance  
Committee  
T. W. Edwards, Acting Chairman, Ways and Means Committee

04434

Schedule C

The Honorable Richard W. Riley  
Governor, State of South Carolina  
Box 11450  
Columbia, South Carolina 29211

04435



Schedule D

Prepared by:

McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

With Assistance from:

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

James T. Sprouse  
2065 Leatherwood Court  
Rock Hill, South Carolina 29730

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
CPA

EXHIBIT

OCT 21 1986 NO. 23

STATE BUDGET & CONTROL BOARD

04436

# EXHIBIT

OCT 21 1986

NO. 23

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND  
CONTROL BOARD OF SOUTH  
CAROLINA

PETITION

This Petition of the South Carolina State Family Farm Development Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Family Farm Development Authority Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of 1981, now codified as Chapter 47 of Title 46 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that following a determination made by the Authority that it is necessary to sell bonds to develop and implement one of the programs authorized by the Act and a finding that the revenues or other moneys estimated to thereafter be available therefor will provide moneys required for the payment of the principal and interest on the bond then proposed to be issued, upon obtaining the approval of the Board pursuant to the Act, the Authority is authorized to issue bonds for such purposes.

2. The Authority has developed its Direct Loan Program for Farmers of the Beneficiary Class.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "State Ceiling") applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended.

4. By resolution duly adopted by the Authority on September 26, 1986 (certified copy of which is attached hereto as Exhibit A), the Authority has authorized the issuance of its \$300,000 Agricultural Development Bond (James T. Sprouse Project) 1986 (the "Bond") being described on Exhibit B attached hereto.

5. The Bond shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority to be pledged under a Loan Agreement between the Authority and the Farmer.

6. Attached hereto as Schedule 1 and by reference incorporated herein in its entirety is a schedule showing the annual debt service requirements and the amount and source of revenues available for the payment thereof on all outstanding bonds of the Authority.

7. The information contained in this Petition provides the Board with all the information required by Section 15 of Act No. 179 (1981 Acts) (now codified as Section 46-47-140 of the 1976 Code of Laws of South Carolina, as amended) to be presented by the Authority in connection with the Bond.

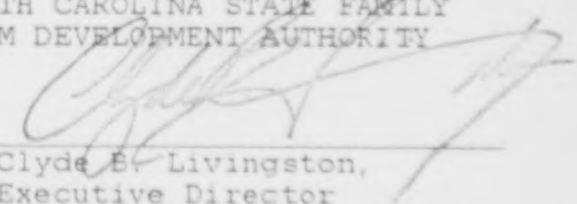
8. The Authority stands ready to produce any further information with respect to the Bond or other bonds of the Direct Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval of the Board of the issuance and sale of the Authority's Bond in the principal amount and on the terms and conditions prescribed in the Resolution No. 86-0019 as described in this Petition and allocate \$300,000 of the State Ceiling for the Bond.

To the best of my knowledge the approval of the James T. Sprouse Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:   
Clyde B. Livingston,  
Executive Director

(SEAL)

October 21, 1986

Copy of Petition also forwarded to Joint Bond Review  
Committee.

EXHIBIT

OCT 21 1986 NO. 23

2

STATE BUDGET & CONTROL BOARD

04438

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

CERTIFIED COPY OF RESOLUTION  
NO. 86-0019

I, the undersigned being the duly qualified and acting Executive Director of the South Carolina State Family Farm Development Authority (the "Authority"), do hereby certify that attached hereto is a copy of Resolution No. 86-0019 authorizing the issuance of a \$300,000 Agricultural Development Bond (James T. Sprouse Project), 1986, adopted by the Authority at a meeting duly called and held on September 26, 1986, at which a quorum was present and acting throughout, which resolution has been compared by me with the original thereof, and that such resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 26th day of September, 1986.

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:

Clyde B. Drvingston,  
Executive Director

(SEAL)

EXHIBIT

OCT 21 1986 NO. 23

STATE BUDGET &amp; CONTROL BOARD

04439

RESOLUTION NO. 86-0019

AUTHORIZING THE ISSUANCE OF A \$300,000 AGRICULTURAL DEVELOPMENT BOND (JAMES T. SPROUSE PROJECT), 1986, OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND LENDER LOAN AGREEMENT; APPROVING THE SUBMISSION OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines:

(a) Pursuant to the South Carolina State Family Farm Development Act as amended (the "Act"), the Authority is authorized and empowered to undertake programs which assist farmers of the beneficiary class in acquiring agricultural land, agricultural improvements and/or depreciable agricultural property for the purpose of farming.

(b) The Authority is authorized and has developed under the Act a direct loan program for farmers (the "Direct Loan Program") of the beneficiary class by making mortgage loans or secured loans to such farmers to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by such farmers.

(c) The Authority is further authorized to borrow money through the issuance of its negotiable bonds as provided in the Act in order to finance its Direct Loan Program.

(d) The Authority has received a request from James T. Sprouse (the "Borrower") to issue its agricultural development bond for the purpose of facilitating the acquisition of agricultural land, agricultural improvements and/or depreciable agricultural property as more particularly described in the Borrower's Application heretofore submitted to the Authority (the "Project").

(e) In order to raise the sum of \$300,000 and loan such moneys to the Borrower under a Loan Agreement hereinafter described, the Authority finds it necessary and in its best interest to sell its agricultural development bond to NCNB of South Carolina, in Columbia, South Carolina (the "Lender").



(f) The Authority further finds that:

(i) the Borrower receiving the mortgage loan or secured loan under the Direct Loan Program is a member of the "beneficiary class" as defined in the Act;

(ii) the Borrower satisfies the underwriting and credit standards as have been determined by the proposed regulations of the Authority so as to insure payment of the principal and interest on the Bond; and

(iii) the mortgage loan or secured loan authorized hereby is not otherwise available to the Borrower, wholly or in part, without the assistance of financing under the Direct Loan Program, upon reasonably equivalent terms and conditions.

(g) The Authority has caused to be prepared and presented to this meeting the following documents which the Authority proposes to enter into, execute and deliver:

(i) The form of Loan Agreement by and between the Authority and the Borrower including the form of promissory note of the Borrower;

(ii) The form of Lender Loan Agreement by and between the Authority and the Lender; and

(iii) The form of bond to be executed by the Authority.

It appears that each of the Agreements above referred to is in appropriate form and is an appropriate instrument to be executed and delivered by the Authority for the purposes intended.

(h) It is now necessary and in the best interest of the Authority to authorize the issuance of a \$300,000 Agricultural Development Bond, 1986 (James T. Sprouse Project) in order to develop and implement its Direct Loan Program and to authorize the execution and delivery of the aforementioned Loan Agreement, Lender Loan Agreement and other documents relating to this transaction.

Section 2. Authorization. Pursuant to the Act and the Direct Loan Program in order to finance the Project, including financial, legal, administrative and other costs of the Authority and other fees, there is hereby authorized to be issued a \$300,000 Agricultural Development Bond, (James T. Sprouse Project) 1986, (the "Bond"), of the Authority. The revenues and other monies estimated to be available will provide monies required for the payment of the principal and interest on the Bond.

Neither the Commissioners of the Authority nor any persons executing the Bond shall be subject to personal liability on the Bond or accountability by reason of the issuance thereof.

The Bond shall be issued in the form submitted at this meeting of the Authority and shall be payable upon such terms and at such interest rate as specified therein with such variations, omissions and insertions as are permitted or required by this Bond Resolution, the Loan Agreement or the Lender Loan Agreement.

The Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3. Execution. The Bond shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman, attested by the manual or facsimile signature of its Executive Director or any person duly designated by the Authority, or in such other manner as may be required by law; provided that at least one of such signatures shall be manual. In case any one or more of the members, officers or employees of the Authority who shall have signed the Bond or whose signature appears on the Bond shall cease to be such member, officer or employee before the Bond is actually delivered, the Bond may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed it or whose signatures appear thereon had remained in office or remained so employed.

Section 4. Tax Covenant. The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bond shall be exempt from all Federal income taxation, particularly the requirements of Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"). The Authority covenants to comply with the amendments imposed by the provisions of the Tax Reform Act of 1985 (H.R. 3838) that relate to the Bonds; however, the Authority is not required to comply with the amendments to the extent that the Authority receives an opinion from bond counsel to the effect that non-compliance will not make the interest on the Bonds subject to federal income taxation.

The Authority covenants and certifies to and for the benefit of the purchaser and holder of the Bond that so long as the Bond remains outstanding, the proceeds thereof will not be used in a manner which will cause the Bond to be classified as an "arbitrage bond" within the meaning of Section 103(c) of the Code. Pursuant to such covenant, the Authority obligates itself to comply throughout the term of

the issue of the Bond with the requirements of Section 103(c) of the Code and any regulations promulgated thereunder.

Section 5. Approval of Loan Agreement and Lender Loan Agreement. The respective forms, terms and provisions of the Loan Agreement and Lender Loan Agreement presented to this meeting and filed with the records of the Authority be and hereby are approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if such Agreements were set out in this Bond Resolution in their entirety. The Chairman, Secretary and Executive Director of the Authority be and are hereby authorized, empowered and directed to execute, acknowledge and deliver such Agreements in the name of and on behalf of the Authority, and thereupon to cause such Agreements to be delivered to the Borrower and the Lender. Such Agreements are to be in substantially the form now before this meeting and hereby approved by the officials of the Authority executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such Agreements now before this meeting.

Section 6. Petition to State Budget and Control Board. The Executive Director of the Authority be and is hereby authorized and directed to submit, by petition, the information required under the Act to the State Budget and Control Board in the name of and on behalf of the Authority.

Section 7. Severability. If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8. Applicable Provisions of Law. This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

Section 9. No Recourse on Bond. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Bond Resolution against any member or officer of the Authority or any person executing the Bond.

Section 10. Additional Documents. The Chairman, Secretary and Executive Director of the Authority or either of them, are hereby authorized to execute and deliver on behalf of the Authority the Loan Agreement, Lender Loan Agreement, Bond and such other documents and certificates as are required to accomplish the issuance of the Bond.

Section 11. This Bond Resolution shall be in full force and effect upon its adoption.

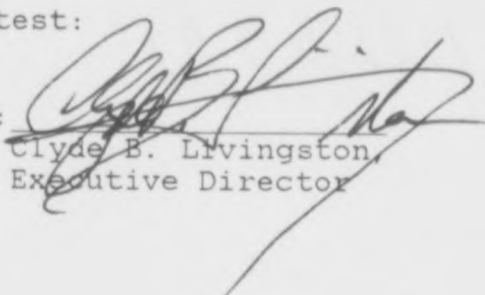
Adopted by the South Carolina State Family Farm Development Authority the 26th day of September, 1986.

(SEAL)

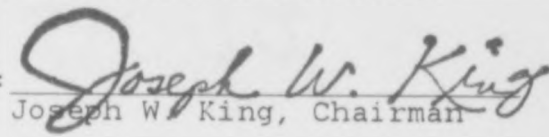
SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

Attest:

By:

  
Clyde B. Livingston,  
Executive Director

By:

  
Joseph W. King, Chairman

EXHIBIT

OCT 21 1986

NO. 23

STATE BUDGET & CONTROL BOARD

EXHIBIT B

Resolution No.: 86-0019

Principal Amount: \$300,000

Name of Borrower: James T. Sprouse

Purpose: (construct two brooder houses and six range houses and purchase land)

Maturity Schedule: 120 monthly payments of principal in the amount of \$2,500 plus interest at a rate not to exceed 12%

Method of Sale: Negotiation

Purchaser: NCNB of South Carolina



SCHEDULE 1

OUTSTANDING AGRICULTURAL DEVELOPMENT BONDS OF THE  
SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

	<u>DATE</u>	<u>FARMER</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY SCHEDULE</u>	<u>AMOUNT &amp; SOURCE OF REVENUES</u>
1.	5/3/85	Moore	\$300,000	120 equal monthly payments of \$3,882 each at 9½%.	Payments under a \$300,000 Promissory Note dated 5/3/85.
2.	7/24/85	Hall	\$ 15,000	2 annual installments at 8%.	Payments under a \$15,000 Promissory Note dated 7/24/85.
3.	7/24/85	Woods	\$ 43,000	Quarterly payments of \$1572 for 10 years at 8%.	Payments under a \$43,000 dated 7/24/85.
4.	9/6/85	East	\$250,000	138 monthly payments from April 6, 1986; interest (not exceeding 15%).	Payments under a \$250,000 Promissory Note dated 9/6/85.
5.	9/6/85	Double H Hog Farm	\$ 25,000	3 annual payments at 7.75%.	Payments under a \$25,000 Promissory Note dated 9/6/85.
6.	9/10/85	J. R. Bowen	\$180,000	48 quarterly payments of \$3,750 from March 10, 1986; interest not exceeding 15%.	Payments under a \$180,000 Promissory Note dated 9/10/85.

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7.	9/18/85	Davis	\$125,000	20 equal annual payments of principal of \$6,250; interest not exceeding 15%.	Payments under a \$125,000 Promissory Note dated 9/18/85.
8.	10/18/85	McPhail	\$142,000	5 equal payments per year for 10 years at 8%.	Payments under a \$142,000 Promissory Note dated 10/18/85.
9.	10/18/85	Etheredge	\$ 17,000	48 equal monthly payments of \$354.17; interest not exceeding 15%.	Payments under a \$17,000 Promissory Note dated 10/18/85.
10.	10/18/85	J. R. Bowen	\$ 20,000	48 quarterly payments of \$416.67 from March 10, 1986; interest not exceeding 15%.	Payments under a \$20,000 Promissory Note dated 10/18/85.
11.	11/13/85	Neel's Poultry Farm, Inc.	\$300,000	120 equal monthly payments of \$3,883 each, from June 13, 1986; at 9.5%.	Payments under a \$300,000 Promissory Note dated 11/13/85.
12.	11/27/85	Thomas L. Doremus and Marilyn Doremus	\$150,000	120 equal monthly payments of \$1,983, from December 27, 1985 at 10%.	Payments under a \$150,000 Promissory Note dated 11/27/85.
13.	12/18/85	Riley	\$325,000	120 equal monthly payments of \$4,117, commencing 7/18/86 at 9%.	Payments under a \$325,000 Promissory Note dated 12/18/85.

14.	12/20/85	R. L. Martin	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
15.	12/20/85	Earls	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
16.	12/20/85	Bates	\$75,000 (1985-A)	120 equal monthly payments of \$981 from 1/30/86 at 9.75%.	Payments under a \$75,000 Promissory Note dated 12/30/85.
17.	12/30/85	Bates	\$85,000 (1985-B)	Equal monthly payments of \$806.24 from 1/16/86 to 12/16/95 at 9.75% adjusted on 1/16/96 to N/E 15%.	Payments under a \$85,000 Promissory Note dated 12/30/85.
18.	12/20/85	Wheeler	\$50,000	40 equal quarterly payments of \$1,828 commencing 3/30/86 at 8%.	Payments under a \$50,000 Promissory Note dated 12/30/85.
19.	12/30/85	Corder	\$42,100	20 equal quarterly payments of \$2,650 commencing 6/30/86 at 9.5%.	Payments under a \$42,100 Promissory Note dated 12/30/85.

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20.	12/21/85	G. E. Martin	\$45,000	28 equal quarterly payments of \$2,184 commencing 4/1/86 at 9%.	Payments under a \$45,000 Promissory Note dated 12/31/85.
21.	12/31/85	Greene	\$25,000	84 equal monthly payments of \$378.85 commencing 1/30/86 at 7.125%.	Payments under a \$25,000 Promissory Note dated 12/31/85.
22.	12/31/85	Ables	\$225,000	40 equal quarterly payments of principal in the amount of \$5,625 from 4/1/86 plus interest at N/E 15%.	Payments under a \$225,000 Promissory Note dated 12/31/85.
23.	12/31/85	Myers	\$105,000	40 equal quarterly payments of principal in the amount of \$2,625 from 7/1/86 plus interest at N/E 15%.	Payments under a \$105,000 Promissory Note dated 12/31/85.
24.	1/30/86	Brown	\$220,000	28 equal quarterly payments of \$10,535 commencing 7/25/86 at 8%.	Payments under a \$220,000 Promissory Note dated 1/30/86.
25.	2/5/86	Kesler	\$350,000	120 equal monthly payments of \$4,434 commencing 9/5/86 at 9%.	Payments under a \$350,000 Promissory Note dated 2/5/86.

26.	2/25/86	Paradice	\$180,000	40 equal quarterly payments of \$6,652.80 commencing 9/1/86 at 8.25%	Payments under a \$180,000 Promissory Note dated 2/25/86
27.	3/14/86	Agerton	\$130,000	120 equal monthly payments of \$1,646.79 commencing 4/14/86 at 9%.	Payments under a \$130,000 Promissory Note dated 3/14/86.
28.	3/14/86	Easler	\$10,000	5 equal annual payments of \$2,570.92 commencing 3/14/87 at 9%.	Payments under a \$10,000 Promissory Note dated 3/14/86.
29.	4/4/86	Reese	\$185,000	Equal semiannual payments of \$13,908.59 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$185,000 Promissory Note dated 4/4/86.
30.	4/4/86	Croxton	\$200,000	Equal semiannual payments of \$15,036.32 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$200,000 Promissory Note dated 4/4/86
31.	4/4/86	W&W Farms	\$15,000	5 equal annual payments of \$3,000 commencing 1/15/87 at 8.5%.	Payments under a \$15,000 Promissory Note dated 4/4/86.
32.	5/28/86	Ables	\$40,000	40 equal quarterly payments of prin- cipal in the amount of \$1,000 commencing 8/28/86 plus accrued interest at N/E 14%.	Payments under a \$40,000 Promissory Note dated 5/28/86.

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33.	6/16/86	Hartley	\$40,000	28 equal quarterly payments of \$1,941 commencing 12/16/86 at 9%.	Payments under a \$40,000 Promissory Note dated 6/16/86.
34.	6/16/86	Clamp	\$100,000	40 quarterly payments of \$3,777 commencing 12/16/86 at 8.75%	Payments under a \$100,000 Promissory Note dated 6/16/86.
35.	7/3/86	Rochester	\$220,000	40 equal quarterly payments of principal in the amount of \$5,500 commencing 10/3/86 plus accrued interest at N/E 14%.	Payments under a \$220,000 Promissory Note dated 7/3/86.
36.	10/10/86	Arrington	\$150,000	40 equal quarterly payments of principal in the amount of \$3,750 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$150,000 Promissory Note dated 10/10/86.
37.	10/10/86	Barnett	\$130,000	40 equal quarterly payments of principal in the amount of \$3,250 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$130,000 Promissory Note dated 10/10/86.

# EXHIBIT

OCT 21 1986

NO. 23

## REVENUE BOND CHECKLIST

STATE BUDGET & CONTROL BOARD

BCB Agenda: 10/21/86  
 Issuer: Family Farm  
 Project: James T. Spruce  
 Amount: 300,000  
 Type Bonds: Agricultural Dev.

- |   | <u>Yes</u>  | <u>No</u>   |
|---|-------------|-------------|
| 1. <u>Petition:</u>   |             |             |
| a. Executed original and two copies   | <u>✓</u>    | <u>    </u> |
| b. Request for specific amount or not exceeding amount                              | <u>✓</u>    | <u>    </u> |
| c. Ceiling allocation requested   | <u>✓</u>    | <u>    </u> |
| d. If allocation requested, for specific amount                                     | <u>✓</u>    | <u>    </u> |
| e. No consideration statement included  | <u>✓</u>    | <u>    </u> |
| 2. <u>Issuing Authority Resolution:</u> (executed copy)                             | <u>✓</u>    | <u>    </u> |
| 3. <u>Inducement Resolution/Comparable Preliminary Approval:</u><br>(executed copy) | <u>    </u> | <u>    </u> |
| 4. <u>Standard Form Investment Letter:</u> (executed original)                      | <u>    </u> | <u>    </u> |
| 5. <u>Audited Financial Statements:</u> (in lieu of investment ltr)                 | <u>    </u> | <u>    </u> |
| 6. <u>DHEC Certificate of Need</u> (if required)                                    | <u>    </u> | <u>    </u> |
| 7. <u>Budget and Control Board Resolution:</u>                                      |             |             |
| a. Original and <u>2</u> copies for certification and return                        | <u>✓</u>    | <u>    </u> |
| b. Specific amount requested for State law approval                                 | <u>✓</u>    | <u>    </u> |
| c. If state ceiling allocation requested:   |             |             |
| (1) Reference to ceiling allocation (should NOT)                                    | <u>    </u> | <u>✓</u>    |
| (2) Reference to IRS 8038 form submission (should NOT)                              | <u>    </u> | <u>✓</u>    |
| d. If state ceiling allocation is NOT requested:                                    |             |             |
| (1) Reference to IRS 8038 form submission (should)                                  | <u>    </u> | <u>    </u> |
| 8. <u>Processing Fee</u>  | <u>    </u> | <u>    </u> |

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OCT 23 1986

The State of South Carolina



Office of the Attorney General

EXHIBIT

OCT 21 1986

NO. 24

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-734-3680

October 22, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Columbia, South Carolina 29201

Re: \$175,000 Richland County, South Carolina,  
Agriculture Development Bond,  
(John C. Cato)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 46-47-10, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

04453

# EXHIBIT

OCT 21 1986

NO. 24

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

John C. Cato

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. MCINNIS, 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, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, 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, October 21, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting except Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, who moved its adoption; the motion was seconded by Mr. Morris, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously 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.

October 23, 1986

William A. McInnis

04454

## A RESOLUTION

OF THE STATE BUDGET AND CONTROL BOARD APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY OF A \$175,000 AGRICULTURAL DEVELOPMENT BOND (JOHN C. CATO PROJECT), 1986.

WHEREAS, it is provided by the South Carolina State Family Farm Development Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, now codified as Chapter 47, Title 46 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), that upon approval by the State Budget and Control Board (the "Board"), the South Carolina State Family Farm Development Authority (the "Authority") may borrow money through the issuance of its negotiable bonds in order to finance its programs; and

WHEREAS, the Authority has established a direct loan program (the "Direct Loan Program") as provided in Section 15 of the Act (now codified as section 46-47-90); and

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$175,000 Agricultural Development Bond (John C. Cato Project), 1986 (the "Bond"), which Bond has been authorized to be issued pursuant to Resolution No. 86-0021 adopted on September 26, 1986, by the Authority.

WHEREAS, the Bond shall be dated, shall mature, shall bear interest at the rate set forth on Exhibit B attached to the Authority's Petition and shall otherwise contain such terms and conditions as previously authorized by the Resolution of the Authority and shall be sold to NCNB of North Carolina, in Monroe, North Carolina, South Carolina; and

WHEREAS, the Authority has presented to the Board the Petition which, together with exhibits and schedule thereto attached, sets forth certain information with respect to the Direct Loan Program and the Bond.

WHEREAS, the Board has determined, based upon such information, that the funds estimated to thereafter be available for the repayment of the Bond will be sufficient to provide for the payment of the principal and interest on the Bond as they become due;

# EXHIBIT

OCT 21 1986

NO. 24



NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution and in the Petition are in all respects true and correct.

Section 2. The Petition filed by the Authority contain all matters required by the Act and the rules of the Board to be set forth therein.

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$175,000 Agricultural Development Bond (John C. Cato Project), 1986, in order to make a mortgage loan or secured loan to the John C. Cato (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by the Farmer.

The Bond shall be issued and secured as provided in the Resolution of the Authority.

Section 4. This Resolution shall take effect immediately upon its adoption.

Dated: October 21, 1986

# EXHIBIT

State of South Carolina

OCT 21 1986

NO. 24

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN

GOVERNOR

GRADY L. PATTERSON, JR.

STATE TREASURER

EARLE E. MORRIS, JR.

COMPTROLLER GENERAL



Box 12444

Columbia  
29211

REMBERT C. DENNIS

CHAIRMAN, SENATE FINANCE COMMITTEE

TOM G. MANGUM

CHAIRMAN, WAYS AND MEANS COMMITTEE

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

October 21, 1986

### C E R T I F I C A T E

#### STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

#### TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority  
\$175,000  
Agricultural Development Revenue Bonds  
(John C. Cato Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire December 31, 1986, 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, Board Regulation \$19-103.06 and \$19-103.07 require 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.

In accord with Internal Revenue Code Section 103(n)(12)(A), I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04457

# EXHIBIT

OCT 21 1986

NO. 24

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND )  
CONTROL BOARD OF SOUTH )  
CAROLINA )

PETITION

This Petition of the South Carolina State Family Farm Development Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Family Farm Development Authority Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of 1981, now codified as Chapter 47 of Title 46 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that following a determination made by the Authority that it is necessary to sell bonds to develop and implement one of the programs authorized by the Act and a finding that the revenues or other moneys estimated to thereafter be available therefor will provide moneys required for the payment of the principal and interest on the bond then proposed to be issued, upon obtaining the approval of the Board pursuant to the Act, the Authority is authorized to issue bonds for such purposes.

2. The Authority has developed its Direct Loan Program for Farmers of the Beneficiary Class.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "State Ceiling") applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended.

4. By resolution duly adopted by the Authority on September 26, 1986 (certified copy of which is attached hereto as Exhibit A), the Authority has authorized the issuance of its \$175,000 Agricultural Development Bond (John C. Cato Project) 1986 (the "Bond") being described on Exhibit B attached hereto.

5. The Bond shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority to be pledged under a Loan Agreement between the Authority and the Farmer.

6. Attached hereto as Schedule 1 and by reference incorporated herein in its entirety is a schedule showing the annual debt service requirements and the amount and source of revenues available for the payment thereof on all outstanding bonds of the Authority.

7. The information contained in this Petition provides the Board with all the information required by Section 15 of Act No. 179 (1981 Acts) (now codified as Section 46-47-140 of the 1976 Code of Laws of South Carolina, as amended) to be presented by the Authority in connection with the Bond.

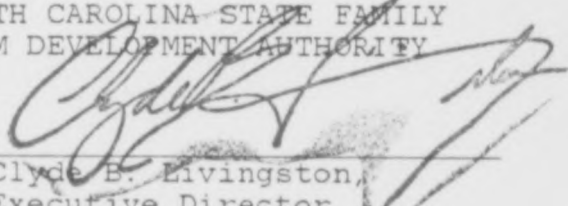
8. The Authority stands ready to produce any further information with respect to the Bond or other bonds of the Direct Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval of the Board of the issuance and sale of the Authority's Bond in the principal amount and on the terms and conditions prescribed in the Resolution No. 86-0021 as described in this Petition and allocate \$175,000 of the State Ceiling for the Bond.

To the best of my knowledge the approval of the John C. Cato Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:   
Clyde B. Livingston,  
Executive Director

(SEAL)

October 21, 1986

Copy of Petition also forwarded to Joint Bond Review Committee.

STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

CERTIFIED COPY OF RESOLUTION  
NO. 86-0021

I, the undersigned being the duly qualified and acting Executive Director of the South Carolina State Family Farm Development Authority (the "Authority"), do hereby certify that attached hereto is a copy of Resolution No. 86-0021 authorizing the issuance of a \$175,000 Agricultural Development Bond (John C. Cato Project), 1986, adopted by the Authority at a meeting duly called and held on September 26, 1986, at which a quorum was present and acting throughout, which resolution has been compared by me with the original thereof, and that such resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 26th day of September, 1986.

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITYBy Clyde B. Livingston,  
Executive Director

(SEAL)

EXHIBIT

OCT 21 1986

NO. 24

STATE BUDGET &amp; CONTROL BOARD

04460



RESOLUTION NO. 86-0021

AUTHORIZING THE ISSUANCE OF A \$175,000 AGRICULTURAL DEVELOPMENT BOND (JOHN C. CATO PROJECT), 1986, OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND LENDER LOAN AGREEMENT; APPROVING THE SUBMISSION OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines:

(a) Pursuant to the South Carolina State Family Farm Development Act as amended (the "Act"), the Authority is authorized and empowered to undertake programs which assist farmers of the beneficiary class in acquiring agricultural land, agricultural improvements and/or depreciable agricultural property for the purpose of farming.

(b) The Authority is authorized and has developed under the Act a direct loan program for farmers (the "Direct Loan Program") of the beneficiary class by making mortgage loans or secured loans to such farmers to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by such farmers.

(c) The Authority is further authorized to borrow money through the issuance of its negotiable bonds as provided in the Act in order to finance its Direct Loan Program.

(d) The Authority has received a request from John C. Cato (the "Borrower") to issue its agricultural development bond for the purpose of facilitating the acquisition of agricultural land, agricultural improvements and/or depreciable agricultural property as more particularly described in the Borrower's Application heretofore submitted to the Authority (the "Project").

(e) In order to raise the sum of \$175,000 and loan such moneys to the Borrower under a Loan Agreement hereinafter described, the Authority finds it necessary and in its best interest to sell its agricultural development bond to NCNB of North Carolina, in Monroe, North Carolina, (the "Lender").

(f) The Authority further finds that:

(i) the Borrower receiving the mortgage loan or secured loan under the Direct Loan Program is a member of the "beneficiary class" as defined in the Act;

(ii) the Borrower satisfies the underwriting and credit standards as have been determined by the proposed regulations of the Authority so as to insure payment of the principal and interest on the Bond; and

(iii) the mortgage loan or secured loan authorized hereby is not otherwise available to the Borrower, wholly or in part, without the assistance of financing under the Direct Loan Program, upon reasonably equivalent terms and conditions.

(g) The Authority has caused to be prepared and presented to this meeting the following documents which the Authority proposes to enter into, execute and deliver:

(i) The form of Loan Agreement by and between the Authority and the Borrower including the form of promissory note of the Borrower;

(ii) The form of Lender Loan Agreement by and between the Authority and the Lender; and

(iii) The form of bond to be executed by the Authority.

It appears that each of the Agreements above referred to is in appropriate form and is an appropriate instrument to be executed and delivered by the Authority for the purposes intended.

(h) It is now necessary and in the best interest of the Authority to authorize the issuance of a \$175,000 Agricultural Development Bond, 1986 (John C. Cato Project) in order to develop and implement its Direct Loan Program and to authorize the execution and delivery of the aforementioned Loan Agreement, Lender Loan Agreement and other documents relating to this transaction.

Section 2. Authorization. Pursuant to the Act and the Direct Loan Program in order to finance the Project, including financial, legal, administrative and other costs of the Authority and other fees, there is hereby authorized to be issued a \$175,000 Agricultural Development Bond, (John C. Cato Project) 1986, (the "Bond"), of the Authority. The revenues and other monies estimated to be available will provide monies required for the payment of the principal and interest on the Bond.

Neither the Commissioners of the Authority nor any persons executing the Bond shall be subject to personal liability on the Bond or accountability by reason of the issuance thereof.

The Bond shall be issued in the form submitted at this meeting of the Authority and shall be payable upon such terms and at such interest rate as specified therein with such variations, omissions and insertions as are permitted or required by this Bond Resolution, the Loan Agreement or the Lender Loan Agreement.

The Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3. Execution. The Bond shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman, attested by the manual or facsimile signature of its Executive Director or any person duly designated by the Authority, or in such other manner as may be required by law; provided that at least one of such signatures shall be manual. In case any one or more of the members, officers or employees of the Authority who shall have signed the Bond or whose signature appears on the Bond shall cease to be such member, officer or employee before the Bond is actually delivered, the Bond may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed it or whose signatures appear thereon had remained in office or remained so employed.

Section 4. Tax Covenant. The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bond shall be exempt from all Federal income taxation, particularly the requirements of Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"). The Authority covenants to comply with the amendments imposed by the provisions of the Tax Reform Act of 1985 (H.R. 3838) that relate to the Bonds; however, the Authority is not required to comply with the amendments to the extent that the Authority receives an opinion from bond counsel to the effect that non-compliance will not make the interest on the Bonds subject to federal income taxation.

The Authority covenants and certifies to and for the benefit of the purchaser and holder of the Bond that so long as the Bond remains outstanding, the proceeds thereof will not be used in a manner which will cause the Bond to be classified as an "arbitrage bond" within the meaning of Section 103(c) of the Code. Pursuant to such covenant, the Authority obligates itself to comply throughout the term of



the issue of the Bond with the requirements of Section 103(c) of the Code and any regulations promulgated thereunder.

Section 5. Approval of Loan Agreement and Lender Loan Agreement. The respective forms, terms and provisions of the Loan Agreement and Lender Loan Agreement presented to this meeting and filed with the records of the Authority be and hereby are approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if such Agreements were set out in this Bond Resolution in their entirety. The Chairman, Secretary and Executive Director of the Authority be and are hereby authorized, empowered and directed to execute, acknowledge and deliver such Agreements in the name of and on behalf of the Authority, and thereupon to cause such Agreements to be delivered to the Borrower and the Lender. Such Agreements are to be in substantially the form now before this meeting and hereby approved by the officials of the Authority executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such Agreements now before this meeting.

Section 6. Petition to State Budget and Control Board. The Executive Director of the Authority be and is hereby authorized and directed to submit, by petition, the information required under the Act to the State Budget and Control Board in the name of and on behalf of the Authority.

Section 7. Severability. If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8. Applicable Provisions of Law. This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

Section 9. No Recourse on Bond. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Bond Resolution against any member or officer of the Authority or any person executing the Bond.

Section 10. Additional Documents. The Chairman, Secretary and Executive Director of the Authority or either of them, are hereby authorized to execute and deliver on behalf of the Authority the Loan Agreement, Lender Loan Agreement, Bond and such other documents and certificates as are required to accomplish the issuance of the Bond.

Section 11. This Bond Resolution shall be in full force and effect upon its adoption.

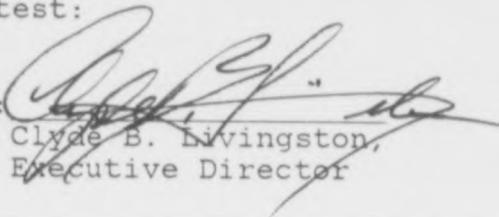
Adopted by the South Carolina State Family Farm Development Authority the 26th day of September, 1986.

(SEAL)

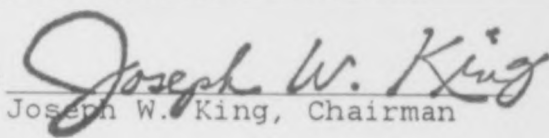
SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

Attest:

By:

  
Clyde B. Livingston,  
Executive Director

By:

  
Joseph W. King, Chairman

EXHIBIT

OCT 21 1986 NO. 24

STATE BUDGET & CONTROL BOARD



EXHIBIT B

Resolution No.: 86-0021

Principal Amount: \$175,000

Name of Borrower: John C. Cato

Purpose: (construction of turkey brooder house and three range houses)

Maturity Schedule: 10 equal annual payments of principal plus interest at a rate not to exceed 12%.

Method of Sale: Negotiation

Purchaser: NCNB of North Carolina

SCHEDULE 1

OUTSTANDING AGRICULTURAL DEVELOPMENT BONDS OF THE  
SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

	<u>DATE</u>	<u>FARMER</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY SCHEDULE</u>	<u>AMOUNT &amp; SOURCE OF REVENUES</u>
1.	5/3/85	Moore	\$300,000	120 equal monthly payments of \$3,882 each at 9½%.	Payments under a \$300,000 Promissory Note dated 5/3/85.
2.	7/24/85	Hall	\$ 15,000	2 annual installments at 8%.	Payments under a \$15,000 Promissory Note dated 7/24/85.
3.	7/24/85	Woods	\$ 43,000	Quarterly payments of \$1572 for 10 years at 8%.	Payments under a \$43,000 dated 7/24/85.
4.	9/6/85	East	\$250,000	138 monthly payments from April 6, 1986; interest (not exceeding 15%).	Payments under a \$250,000 Promissory Note dated 9/6/85.
5.	9/6/85	Double H Hog Farm	\$ 25,000	3 annual payments at 7.75%.	Payments under a \$25,000 Promissory Note dated 9/6/85.
6.	9/10/85	J. R. Bowen	\$180,000	48 quarterly payments of \$3,750 from March 10, 1986; interest not exceeding 15%.	Payments under a \$180,000 Promissory Note dated 9/10/85.

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7.	9/18/85	Davis	\$125,000	20 equal annual payments of principal of \$6,250; interest not exceeding 15%.	Payments under a \$125,000 Promissory Note dated 9/18/85.
8.	10/18/85	McPhail	\$142,000	5 equal payments per year for 10 years at 8%.	Payments under a \$142,000 Promissory Note dated 10/18/85.
9.	10/18/85	Etheredge	\$ 17,000	48 equal monthly payments of \$354.17; interest not exceeding 15%.	Payments under a \$17,000 Promissory Note dated 10/18/85.
10.	10/18/85	J. R. Bowen	\$ 20,000	48 quarterly payments of \$416.67 from March 10, 1986; interest not exceeding 15%.	Payments under a \$20,000 Promissory Note dated 10/18/85.
11.	11/13/85	Neel's Poultry Farm, Inc.	\$300,000	120 equal monthly payments of \$3,883 each, from June 13, 1986; at 9.5%.	Payments under a \$300,000 Promissory Note dated 11/13/85.
12.	11/27/85	Thomas L. Doremus and Marilyn Doremus	\$150,000	120 equal monthly payments of \$1,983, from December 27, 1985 at 10%.	Payments under a \$150,000 Promissory Note dated 11/27/85.
13.	12/18/85	Riley	\$325,000	120 equal monthly payments of \$4,117, commencing 7/18/86 at 9%.	Payments under a \$325,000 Promissory Note dated 12/18/85.

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14.	12/20/85	R. L. Martin	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
15.	12/20/85	Earls	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
16.	12/20/85	Bates	\$75,000 (1985-A)	120 equal monthly payments of \$981 from 1/30/86 at 9.75%.	Payments under a \$75,000 Promissory Note dated 12/30/85.
17.	12/30/85	Bates	\$85,000 (1985-B)	Equal monthly payments of \$806.24 from 1/16/86 to 12/16/95 at 9.75% adjusted on 1/16/96 to N/E 15%.	Payments under a \$85,000 Promissory Note dated 12/30/85.
18.	12/20/85	Wheeler	\$50,000	40 equal quarterly payments of \$1,828 commencing 3/30/86 at 8%.	Payments under a \$50,000 Promissory Note dated 12/30/85.
19.	12/30/85	Corder	\$42,100	20 equal quarterly payments of \$2,650 commencing 6/30/86 at 9.5%.	Payments under a \$42,100 Promissory Note dated 12/30/85.

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20.	12/21/85	G. E. Martin	\$45,000	28 equal quarterly payments of \$2,184 commencing 4/1/86 at 9%.	Payments under a \$45,000 Promissory Note dated 12/31/85.
21.	12/31/85	Greene	\$25,000	84 equal monthly payments of \$378.85 commencing 1/30/86 at 7.125%.	Payments under a \$25,000 Promissory Note dated 12/31/85.
22.	12/31/85	Ables	\$225,000	40 equal quarterly payments of principal in the amount of \$5,625 from 4/1/86 plus interest at N/E 15%.	Payments under a \$225,000 Promissory Note dated 12/31/85.
23.	12/31/85	Myers	\$105,000	40 equal quarterly payments of principal in the amount of \$2,625 from 7/1/86 plus interest at N/E 15%.	Payments under a \$105,000 Promissory Note dated 12/31/85.
24.	1/30/86	Brown	\$220,000	28 equal quarterly payments of \$10,535 commencing 7/25/86 at 8%.	Payments under a \$220,000 Promissory Note dated 1/30/86.
25.	2/5/86	Kesler	\$350,000	120 equal monthly payments of \$4,434 commencing 9/5/86 at 9%.	Payments under a \$350,000 Promissory Note dated 2/5/86.



26.	2/25/86	Paradice	\$180,000	40 equal quarterly payments of \$6,652.80 commencing 9/1/86 at 8.25%	Payments under a \$180,000 Promissory Note dated 2/25/86
27.	3/14/86	Agerton	\$130,000	120 equal monthly payments of \$1,646.79 commencing 4/14/86 at 9%.	Payments under a \$130,000 Promissory Note dated 3/14/86.
28.	3/14/86	Easler	\$10,000	5 equal annual payments of \$2,570.92 commencing 3/14/87 at 9%.	Payments under a \$10,000 Promissory Note dated 3/14/86.
29.	4/4/86	Reese	\$185,000	Equal semiannual payments of \$13,908.59 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$185,000 Promissory Note dated 4/4/86.
30.	4/4/86	Croxton	\$200,000	Equal semiannual payments of \$15,036.32 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$200,000 Promissory Note dated 4/4/86
31.	4/4/86	W&W Farms	\$15,000	5 equal annual payments of \$3,000 commencing 1/15/87 at 8.5%.	Payments under a \$15,000 Promissory Note dated 4/4/86.
32.	5/28/86	Ables	\$40,000	40 equal quarterly payments of prin- cipal in the amount of \$1,000 commencing 8/28/86 plus accrued interest at N/E 14%.	Payments under a \$40,000 Promissory Note dated 5/28/86.

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33.	6/16/86	Hartley	\$40,000	28 equal quarterly payments of \$1,941 commencing 12/16/86 at 9%.	Payments under a \$40,000 Promissory Note dated 6/16/86.
34.	6/16/86	Clamp	\$100,000	40 quarterly payments of \$3,777 commencing 12/16/86 at 8.75%	Payments under a \$100,000 Promissory Note dated 6/16/86.
35.	7/3/86	Rochester	\$220,000	40 equal quarterly payments of principal in the amount of \$5,500 commencing 10/3/86 plus accrued interest at N/E 14%.	Payments under a \$220,000 Promissory Note dated 7/3/86.
36.	10/10/86	Arrington	\$150,000	40 equal quarterly payments of principal in the amount of \$3,750 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$150,000 Promissory Note dated 10/10/86.
37.	10/10/86	Barnett	\$130,000	40 equal quarterly payments of principal in the amount of \$3,250 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$130,000 Promissory Note dated 10/10/86.

# EXHIBIT

OCT 21 1986

NO. 24

## REVENUE BOND CHECKLIST

STATE BUDGET & CONTROL BOARD

BCB Agenda: 10/21/86  
 Issuer: FFD  
 Project: John C. Cato  
 Amount: 175,000  
 Type Bonds: Ag. Dev

- |   | <u>Yes</u>                          | <u>No</u>                           |
|---|-------------------------------------|-------------------------------------|
| 1. <u>Petition:</u>   |                                     |                                     |
| a. Executed original and two copies   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Request for specific amount or not exceeding amount                              | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c. Ceiling allocation requested   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| d. If allocation requested, for specific amount                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| e. No consideration statement included  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 2. <u>Issuing Authority Resolution:</u> (executed copy)                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 3. <u>Inducement Resolution/Comparable Preliminary Approval:</u><br>(executed copy) | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4. <u>Standard Form Investment Letter:</u> (executed original)                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 5. <u>Audited Financial Statements:</u> (in lieu of investment ltr)                 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 6. <u>DHEC Certificate of Need</u> (if required)                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 7. <u>Budget and Control Board Resolution:</u>                                      |                                     |                                     |
| a. Original and <u>3</u> copies for certification and return                        | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Specific amount requested for State law approval                                 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c. If state ceiling allocation requested:   |                                     |                                     |
| (1) Reference to ceiling allocation (should NOT)                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (2) Reference to IRS 8038 form submission (should NOT)                              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| d. If state ceiling allocation is NOT requested:                                    |                                     |                                     |
| (1) Reference to IRS 8038 form submission (should)                                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 8. <u>Processing Fee</u>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

04473

# EXHIBIT

OCT 21 1986

NO. 25

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

REGULAR SESSION

ITEM NUMBER

18

AGENCY: Richland County

SUBJECT: Ceiling Allocation Reinstatement

At its meeting on July 15, 1986, the Budget and Control Board allocated \$3,500,000 of the State Ceiling to the Richland County Trinity Knoll project. That allocation expired October 13, 1986.

Closing for this project has been scheduled for October 28, and Richland County asks that the \$3,500,000 allocation be reinstated.

BOARD ACTION REQUESTED:

Reinstate the \$3,500,000 State Ceiling allocation (to expire December 31, 1986) for the Richland County Trinity Knoll project.

ATTACHMENTS:

McQuillan October 14 letter to McInnis; Herndon October 9 letter to McInnis

04474

OCT 14 1986

# EXHIBIT

McNAIR LAW FIRM, P. A.  
ATTORNEYS AND COUNSELORS AT LAW  
NCNB TOWER  
POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

OCT 21 1986

NO. 25

STATE BUDGET & CONTROL BOARD

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDOROS  
D. WAYNE CORLEY  
E. MLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
EDMUND M. SNEEDEN  
EDWARD H. FORDGOTSON  
STEPHEN KOPLAN  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT V. BARNES  
W. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MLEOD, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.

HUEL D. ADAMS, JR.  
JAMES R. FIELDS, JR.  
M. CRAIG GARNER, JR.  
LAWRENCE R. HIGGINS  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
EDWIN W. JOHNSON II  
PETER L. MURPHY  
C. ALAN RUYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN CRUM MURKINNEY  
E. RUSSELL JETER, JR.  
M. WILLIAM YOUNGBLOOD  
CARL B. CARRUTH  
JOHN W. HUNTER  
RICHARD J. MORGAN  
J. SIMON FRASER  
CHRISTOPHER M.G. HOLMES

DEBORAH K. OWEN  
SARA S. ROGERS  
PAUL E. SULLIVAN  
DOROTHY M. HELMS  
NANCY PAGE  
SANDRA L. RANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN IV  
CELESTE TILLER JONES  
KATHERINE ELIZABETH MMS  
JOSEPH D. WALKER  
NANCY B. JEFFERS  
ALISON RENEE LEE  
MARTHA R. MULLIN  
GREGORY D. DOLLOACH  
WILLIAM ASHLEY JORDAN, JR.  
ELIZABETH BOWE ANDERS  
WILLIAM M. MUSSER  
SHARON E. CRAWLEY  
T. PARKIN HUNTER  
ROBERT F. MAMAHAN, JR.  
MARY DONNE PETERS

THOMAS H. BARKSDALE, JR.\*  
JAMES E. CARR  
RALPH W. KITTLE\*  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 1201  
NCNB PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
NCNB BUILDING  
POPE AVENUE  
POST OFFICE BOX 5914  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5169

WASHINGTON OFFICE  
SUITE 400  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3900

October 14, 1986

\*NOT ADMITTED IN SOUTH CAROLINA

Mr. William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building  
Columbia, South Carolina 29201

RE: Richland County, South Carolina  
Hospital Facilities Revenue Bonds  
(Trinity Knoll Project)

Dear Mr. McInnis:

Enclosed is a letter requesting an extension of volume cap allocation for the above-referenced project. At the time the letter for extension was requested from the County, an October 14 closing was scheduled and the letter reflects this. The closing did not occur and is now rescheduled for October 28. If you have any questions, please call.

Sincerely,

*Barbara G. McQuillan*

Barbara G. McQuillan  
Paralegal - Bond Department

BGM:ja

Enclosure

04475



LILLIE E. HERNDON, CHAIRMAN  
THOMAS E. BONEY, VICE CHAIRMAN  
JAMES R. BARBER, III  
LEONE S. CASTLES  
BOB COBLE



JAMES C. FARLEY  
RAYMOND E. McKAY, JR.  
JOHN D. MONROE  
W.R. ROGERS  
BILLY E. TAYLOR  
CANDY Y. WAITES

## THE COUNTY COUNCIL FOR RICHLAND COUNTY

1701 Main Street Post Office Box 192 Columbia, South Carolina 29202

October 9, 1986

### EXHIBIT

OCT 21 1986

NO. 25

Mr. William A. McInnis  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

STATE BUDGET & CONTROL BOARD

RE: Richland County, South Carolina  
Hospital Facilities Revenue Bonds  
(Trinity Knoll Project)

Dear Mr. McInnis:

On July 15, 1986, the Budget and Control Board granted a tentative volume cap allocation for the above-referenced project in an amount not to exceed \$3,500,000. This tentative allocation will expire on October 15, 1986.

The Bonds for this project are scheduled to be issued on October 14, 1986. Should it be necessary to reschedule the closing date past October 15, 1986, we respectfully request an extension of the expiration date for the tentative volume cap allocation. To the best of our knowledge, all information submitted previously remains valid.

Sincerely,

RICHLAND COUNTY COUNCIL

Lillie E. Herndon  
Chairman

APPROVED BY THE LEGAL DEPARTMENT  
AS TO FORM AND LEGALITY ONLY

BY E. Herndon Aug 4, 1986  
DATE October 8, 1986

04476

# EXHIBIT

OCT 21 1986

NO. 26

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

19

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

- A. Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

On Summary 8-87:

Item 1: Agency: The Citadel  
Project: 7885, McAlister Fieldhouse Conversion  
Request: Increase budget to \$7,903,757.89  
Amount: \$4,252,789.00  
Source: Capital Improvement Bond funds  
Purpose: The cost increase on this previously-approved project is attributed to additional code requirements, A/E fee additions, construction escalation since 1980 and the demolition of the pool. These capital improvement bond funds were not been included the Priority Group 9 release.

Item 2: Agency: The Citadel  
Project: Alumni Hall Renovation or Replacement  
Request: Establish project and budget  
Amount: \$4,566,000  
Source: Capital Improvement Bond funds  
Purpose: For demolition of 1922 Alumni Hall and construction of a 49,400 square foot, four-story building for Physics and Electrical Engineering Departments. The agency is aware that these capital improvement bond funds were not included in the Priority Group 9 release.

Item 3: Agency: The Citadel  
Project: Mark Clark Hall Addition & Renovation  
Request: Establish project and budget  
Amount: \$3,534,000  
Source: Other (Gifts) funds  
Purpose: To construct a 30,000 square foot, 3-story addition to house the Citadel Museum, the marching and bagpipe bands, and additional cadet recreational and meeting rooms. To renovate an existing 55,000 square foot, 22-year-old building to meet present needs for cadet recreation and service activities.

04477

# EXHIBIT

OCT 21 1986

NO. 26

STATE BUDGET AND CONTROL BOARD  
MEETING OF October 21, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

19, Page 2

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

- Item 8: Agency: Lander College  
Project: Physical Education Complex  
Request: Establish project and budget  
Amount: \$10,027,000  
Source: Capital Improvement Bond funds  
Purpose: Construction of facilities for the academic programs in Health, Recreation and Physical Education for the intercollegiate and intramural athletic programs. This includes gymnasiums, classrooms, locker rooms, laboratories, faculty offices, meeting rooms, handball courts and a swimming pool. These funds become available first in Priority Group 10 (January-June 1987). The agency request is to gain approval of the establishment of the project so the A/E selection can proceed.
- Item 10: Agency: Medical University  
Project: Red Cross Facility Purchase  
Request: Establish project and budget  
Amount: \$375,000  
Source: Excess Debt Service funds  
Purpose: The acquisition of the Red Cross Facility (0.75 acre) on Doughty Street near the central core of the Medical University's campus.
- Item 11: Agency: Wildlife & Marine Resources  
Project: Horry Co-Cartwheel Bay Land Acq  
Request: Establish project and budget  
Amount: \$400,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of four parcels of property (approximately 880 acres) to establish a South Carolina Heritage Preserve with access facilities for the public.
- Item 12: Agency: Wildlife & Marine Resources  
Project: Clarendon Co-Junkyard Bay Land Acq  
Request: Establish project and budget  
Amount: \$300,000  
Source: Other, (Heritage Land Trust Fund) funds  
Purpose: The purchase of five parcels of property (about 613 acres) in Clarendon County for a Heritage Preserve.

04478

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AGENCY: Executive Director

---

SUBJECT: Permanent Improvement Projects

Item 13: Agency: Wildlife & Marine Resources  
Project: Bamberg Co-Cathedral Bay Land Acq  
Request: Establish project and budget  
Amount: \$45,000  
Source: Other (Heritage Land Trust Fund) funds  
Purpose: The purchase of two parcels of property (about 67 acres) in Bamberg County to establish a S. C. Heritage Preserve with access facilities for the public.

This item was authorized specifically in Act 538 of 1986 which means that Bond Committee review is not required.

Agency: College of Charleston  
Project: Craig Cafeteria Renovation and Expansion  
Request: Establish project and budget  
Amount: \$300,000  
Source: Other (borrowed) funds  
Purpose: To add 3,000 square feet of dining space (approximately 200 seats) to existing cafeteria to satisfy student needs.

## EXHIBIT

OCT 21 1986 NO. 26

STATE BUDGET & CONTROL BOARD

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BOARD ACTION REQUESTED:

Approve referenced items.

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ATTACHMENTS:

Referenced summary extracts plus attachments.

04479

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 1 of 8  
Forwarded to JBRC 10/03/86

Item Agency: H09 The Citadel Project: 7885, McAlister Fieldhouse Conversion

1. Action  
Proposed: Increase budget from \$ 3,650,968.89 to \$ 7,903,757.89

(Add \$ 4,252,789.00 [0] Capital Improvement Bonds)

Purpose: The cost increase is attributed to additional code requirements, A/E fee additions, construction cost escalation since 1980 and the demolition of the pool. These capital improvement bond funds have not been included in the Priority Group 9 release.

Ref: Supporting document pages 1-3.

CHE Approval Date: 09/17/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	7,903,757.89

TOTAL FUNDS 7,903,757.89

Item Agency: H09 The Citadel Project: 9257, Alumni Hall Renov or Replace

2. Action  
Proposed: Establish project.

Total budget.....\$ 4,566,000.00  
[0] Capital Improvement Bonds.....\$ 4,566,000.00

Purpose: For demolition of 1922 Alumni Hall and construction of a 49,400 square foot four story building for Physics and Electrical Engineering Departments. These capital improvement bond funds have not been included in the Priority Group 9 release.

Ref: Supporting document pages 4-6a.

CHE Approval Date: 09/30/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	4,566,000.00

TOTAL FUNDS 4,566,000.00

Item Agency: H09 The Citadel Project: 9258, Mark Clark Hall Addition & Renov

3. Action  
Proposed: Establish project.

Total budget.....\$ 3,534,000.00  
[9] Other, Gifts.....\$ 3,534,000.00

Purpose: To construct a 30,000 square foot , 3 story addition to house the Citadel Museum, the marching and bagpipe bands, and additional cadet recreational and meeting rooms. To renovate an existing 55,000 square foot, 22 year old building to meet present needs for cadet recreation and service activities. This other funded (Gifts) project was authorized through a proviso in the 1986 General Capital Improvement Bond Act (Act 538).

Ref: Supporting document pages 7-9a.

CHE Approval Date: 09/29/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	3,534,000.00

TOTAL FUNDS 3,534,000.00

STATE BUDGET & CONTROL BOARD  
OCT 21 1986  
EXHIBIT NO. 26

04480



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 2 of 8  
Forwarded to JBRC 10/03/86

Item Agency: H21 Lander College Project: 9278, Physical Education Complex  
8..

Action  
Proposed: Establish project.

Total budget.....\$ 10,027,000.00  
[0] Capital Improvement Bonds.....\$ 10,027,000.00

Purpose: Construction of facilities for the academic programs in Health, Recreation and Physical Education for the intercollegiate and intramural athletic programs. This includes gymnasiums, classrooms, locker rooms, laboratories, faculty offices, meeting rooms, handball courts and a swimming pool.

Ref: Supporting document pages 25-29.

CHE Approval Date: 09/30/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	10,027,000.00

TOTAL FUNDS 10,027,000.00

Item Agency: H51 Medical University Project: 9260, Red Cross Facility Purchase  
10.

Action  
Proposed: Establish project.

Total budget.....\$ 375,000.00  
[4] Excess Debt Service.....\$ 375,000.00

Purpose: The acquisition of the Red Cross Facility (0.75 acre) on Doughty Street near the central core of the Medical University's campus.

Ref: Supporting document pages 34-37.

CHE Approval Date: 09/19/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Excess Debt Service	375,000.00

TOTAL FUNDS 375,000.00

Item Agency: P24 Wildlife & Marine Res Project: 9264, Horry Co-Cartwheel Bay Land Acq  
11.

Action  
Proposed: Establish project.

Total budget.....\$ 400,000.00  
[9] Other, Heritage Land Trust Fund.....\$ 400,000.00

Purpose: The purchase of four parcels of property to establish a South Carolina Heritage Preserve with access facilities for the public.

Ref: Supporting document pages 38-41.

CHE Approval Date: Not req'd  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	400,000.00

TOTAL FUNDS 400,000.00

STATE BUDGET & CONTROL BOARD

OCT 21 1986 NO. 26

EXHIBIT

04481

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
September 16, 1986 Through September 30, 1986

SUMMARY 8-87 Page 3 of 8  
Forwarded to JBRC 10/03/86

Item Agency: P24 Wildlife & Marine Res Project: 9265, Clarendon Co-Junkyard Bay Land Acq

12..

Action

Proposed: Establish project.

Total budget.....\$ 300,000.00

[9] Other, Heritage Land Trust Fund.....\$ 300,000.00

Purpose: The purchase of five parcels of property in Clarendon County for a Heritage Preserve.

Ref: Supporting document pages 42-44.

CHE Approval Date: Not req'd  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	300,000.00

TOTAL FUNDS 300,000.00

Item Agency: P24 Wildlife & Marine Res Project: 9266, Bamberg Co-Cathedral Bay Land Acq

13.

Action

Proposed: Establish project.

Total budget.....\$ 45,000.00

[9] Other, Heritage Land Trust Fund.....\$ 45,000.00

Purpose: The purchase of two parcels of property in Bamberg County to establish a S. C. Heritage Preserve with access facilities for the public.

Ref: Supporting document pages 45-48.

CHE Approval Date: Not req'd  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	45,000.00

TOTAL FUNDS 45,000.00

EXHIBIT  
OCT 21 1986 NO. 26  
STATE BUDGET & CONTROL BOARD

04482

FL	rd Use Only
	8-87 (1)
	cket Number

REVISION OF PROJECT BUDGET AND PROJECT SCOPE

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR ~~83-86~~ 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number H09 Name The Citadel  
B. Contact person: Boyd L. Wood Phone: 792-6876  
C. Project Number: 7885 Name: McAlister Fieldhouse Conversion

2. PROJECT ACTION PROPOSED:

☒ Increase total project budget ☐ Change source of funds  
☐ Decrease total project budget ☐ Revise scope

EXHIBIT

3. WHAT IS THE REVISION PROPOSED?:

OCT 21 1986 NO. 26

Increase project budget by \$4,252,789.00

STATE BUDGET & CONTROL BOARD

New budget total \$4,252,789.00 + \$3,650,000.00 = \$7,902,789.00

4. JUSTIFICATION FOR REVISION (Why is it needed?):

Due to cost increases since the project was approved in 1980 and funded in 1985. Cost increases are attributal to additional code requirements, A/E fee additions, construction cost escalation since 1980 and the demolition of the pool.

5. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs because of the revision? Yes ☐ No ☒  
If yes, complete and attach Addendum A-49

6. ESTIMATES OF PROJECT COSTS AS REVISED

A. Total estimated cost of project as revised: \$ 7,902,789.00

B. Total estimated cost of project as revised includes the following (1 through 10 = 6A above)

- (1) \$ 750,000 Planning/design services
- (2) 80,000 Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) 1,052,880 Mechanical systems repair/replacement
- (5) 5,989,909 General renovation/repair of floor space: (Gross sq. ft. \_\_\_\_\_)
- (6) 30,000 Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space (Gross sq. ft. \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)  
(Land, acres: \_\_\_\_\_)
- (10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_

\$7,902,789 Total (Same as 6A)

04483

①

6. C. Total estimated cost of project, as revised, by broad purpose: Total cost: \$ 7,902,789.00  
(equals 1 through 8, below, and is same as 6A)

1. Purchase land	\$ _____	5 Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ <u>7,868,789.00</u>
3. Demolish facility	\$ <u>34,000</u>	7 Replace facility	\$ _____
4. Construct additional facility	\$ _____	8 Other _____	\$ <u>7,902,789.00</u>

7. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR AS REVISED:

A. Estimated expenditures and expenditure purposes, this FY: 85-86 \$ 700,000.00  
(expenditure purposes (use 6B categories) \_\_\_\_\_)

B. Estimated expenditures after this FY \$ 7,202,789.00

C. Total (Same as 6A, 6B and 6C) Project 7885 \$ 7,902,789.00

8. PROPOSED SOURCES OF FUNDS AS REVISED:	PREVIOUSLY APPROVED AMOUNT	PROPOSED INCREASE + DECREASE -	REVISED AMOUNT	REVENUE CODE	TREASURER ID NUMBER	SUB FUND
(0) Capital Improvement Bonds	\$3,650,000 968.89	-0-	\$3,650,000.00 968.89	8115	02101200 02003300 02800700	3043 3043 3043
(1) Depart Capital Imp Bonds	0	4,252,789.00	4,252,789.00	8115		
(2) Inst (tuition) Bonds	<del>400,000</del>	-0-	<del>400,000</del>	EXHIBIT OCT 21 1986 NO. 26 STATE BUDGET & CONTROL BOARD		
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL	3,650,968.89	34,252,789.00	7,903,757.89			

9. Submitted By:

Authorized Official

Typed Name and Title and Signature

Calvin G. Lyons

Vice President For Financial Management

Date Submitted

9/18/86

16 Dec 1985

FY Submitted

85-86 86-87

10. APPROVED (For Board Use Only):

04484

2

Typed Name and Title and Signature

Date



## PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

**1. PROJECT IDENTIFIERS:**

A. Agency: Number H09 Name The Citadel  
B. Contact Person Boyd Wood Phone: 792-6876  
C. Project Name: Alumni Hall Renovate or Replace # 9257  
D. Facility Affected: Name Alumni Hall Number 0020

**2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):**

Project is for demolition of 1922 Alumni Hall and construction of a 49,400 square foot four story building for Physics and Electrical Engineering Departments.

Site Description: (Attach a map showing project location)

Location:	Charleston	10	Charleston	The Citadel
	county --	code	city	site

3. **PROJECT JUSTIFICATION** (What does it consist of? Attach supporting documentation):

Both departments are housed in Bond Hall with inadequate, archaic laboratories. Project will provide modern facilities with laboratories equipped for current and future needs. This project has been approved by C.H.E. and J.B.R.C.

What specific needs does this project address?

Current, functional laboratory and classroom space.

EXHIBIT

OCT 21 1986 . NO. 26

## 4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #0 STATE BUDGET &amp; CONTROL BOARD

No practical alternate exists.

5. PRIORITY: This project is priority number 3 of 3 projects proposed in this program.

6. **ADDITIONAL OPERATING COSTS:** Will this project require additional annual operating costs?

Yes X No      If yes, complete and attach addendum A-49.

#### 7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 4,566,000.00

B. Total estimated cost of project includes the following (1. through 10.= 7A above)

- |      |                 |  |  |
|------|-----------------|--|--|
| (1)  | \$ 366,000.00   | Planning/design services                                       |  |
| (2)  | 100,000.00      | Site work (including utilities)                                |  |
| (3)  |                 | Central energy systems repair/replacement                      |  |
| (4)  |                 | Mechanical systems repair/replacement                          |  |
| (5)  |                 | General renovation/repair of floor space (Gross sq. ft.:_____) |  |
| (6)  |                 | Roof repair/replacement  |  |
| (7)  | 3,576,000.00    | Construction of additional floor space: (Gross sq. ft.:_____)  |  |
| (8)  | 300,000.00      | Equipment/supplies   |  |
| (9)  |                 | Purchase of facilities: (Floor space, gross sq. ft.:_____)     |  |
|      |                 | (Land, acres:_____)  |  |
| (10) | 224,000.00      | Other (Specify _____)  |  |
|      |                 | Contingency, Insurance Bond Sale Cost                          |  |
|      | \$ 4,566,000.00 | Total (Same A)   |  |

04485

②

4



7. C. Total estimated cost of project by broad purpose: Total cost: \$ 4,566,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ <u>70,000.00</u>	7. Replace facility	\$ _____
4. Construct additional facility	\$ <u>4,196,000.00</u>	8. Other: _____ Eqt. _____	\$ <u>300,000.00</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 0  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ 4,566,000.00

C. Total (Same as 7A, 7B and 7C): \$ 4,566,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
0) Capital Improvement Bonds	3 4,566,000.00	811500	02800500	3043	9001	0709 31150
1) Dept Capital Imp Bonds				Not Group 9		
2) Inst (tuition) Bonds						
3) Revenue Bonds						
4) Excess Debt Service						
5) Appropriated State						
6) Federal						
8) Athletic						
9) Other						
TOTAL (Same as 7A)	\$ 4,566,000.00					

10. Submitted By:

Authorized Official: \_\_\_\_\_

Typed Name and Title and Signature  
Calvin G. Lyons

Vice President for Financial Management

Date Submitted 15 Sept 1986

FY Submitted 86-87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature

Date

PROJECT NUMBER \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

04486

5

SEP 18 1986

8-87 (3)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number H09 Name The Citadel  
B. Contact Person Boyd Wood Phone: 792-6876  
C. Project Name: Mark Clark Hall Addition and Renovation # 9258  
D. Facility Affected: Name Mark Clark Hall Number 0007

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation): Construct 30,000 S.F., 3 story addition to house The Citadel Museum, the marching and bagpipe bands and additional cadet recreational and meeting rooms. Renovation of existing 55,000 S.F., 22 year old building to meet present needs for cadet recreation and service activities.

Site Description: (Attach a map showing project location)

Location: Charleston 10 Charleston The Citadel  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation): Project is needed to relocate museum from the library to allow the library to expand to meet accreditation requirements, expand cadet recreational facilities, provide band rooms and update 22 year old building to current codes.

What specific needs does this project address?:

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STATE BUDGET & CONTROL BOARD

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

No practical alternate exists.

5. PRIORITY: This project is priority number \_\_\_\_\_ of \_\_\_\_\_ projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes X No \_\_\_\_\_ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 3,534,000.00

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ 283,000.00 Planning/design services  
(2) \_\_\_\_\_ Site work (including utilities)  
(3) \_\_\_\_\_ Central energy systems repair/replacement  
(4) \_\_\_\_\_ Mechanical systems repair/replacement  
(5) 1,000,000.00 General renovation/repair of floor space (Gross sq. ft.: 55,000)  
(6) \_\_\_\_\_ Roof repair/replacement  
(7) 1,994,000.00 Construction of additional floor space: (Gross sq. ft.: 30,000)  
(8) 80,000.00 Equipment/supplies  
(9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)  
(10) 177,000.00 Other (Specify) Contingency and insurance. (Land, acres: \_\_\_\_\_)

\$ 3,534,000.00 Total (Same as 7 A)

04487

3

7

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 3,534,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ <u>1,153,000.00</u>
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ <u>2,301,000.00</u>	8. Other: Eqpt.	\$ <u>80,000.00</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: \_\_\_\_\_ \$ \_\_\_\_\_  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \_\_\_\_\_ \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \_\_\_\_\_ \$ \_\_\_\_\_

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(5) Appropriated State						
(6) Federal						
(8) Athletic						
(9) Other Gifts	3,534,000.00	7601	98808100	3035	9001	7601
TOTAL (Same as 7A)	\$ 3,534,000.00					

10. Submitted By:

Authorized Official: \_\_\_\_\_

*Calvin Lyons*

Typed Name and Title and Signature  
Calvin Lyons

Vice President for Financial Management

Date Submitted 15 Sept 1984

FY Submitted \_\_\_\_\_

11. APPROVED (For Board Use Only):

Typed  
OBJECT NUMBER  
OBJECT NAME: \_\_\_\_\_

Typed Name and Title and Signature

Date

04488

8



8-67(8)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1986/87

1. PROJECT IDENTIFIERS:

A. Agency: Number H 21 Name Lander College  
B. Contact Person George S. Franke Phone: 229-8201  
C. Project Name: Physical Education Complex # 9278  
D. Facility Affected: Name Barksdale Gym Number BA

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Construction of facilities for the academic programs in Health, Recreation and Physical Education and for athletics, both intercollegiate and intramural.

Site Description: (Attach a map showing project location)

Location: Greenwood 24 Greenwood Lander Campus  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

Gymnasiums, classrooms, locker rooms, laboratories, faculty offices, meeting rooms, handball courts and a swimming pool.

(What specific needs does this project address?):

This project is essential to provide adequate facilities for instruction in health, physical education and recreation, for the intercollegiate and intramural athletic programs.

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

None is possible.

5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes ☒ No ☐ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 10,006,946.00\*

B. Total estimated cost of project includes the following (1. through 10.=7A above)

- (1) \$ 664,000.00 Planning/design services
- (2) 21,000.00 Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) 8,306,946.00 Construction of additional floor space: (Gross sq. ft.: 166,000)
- (8) 600,000.00 Equipment/supplies
- (9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft.: \_\_\_\_\_)  
(Land, acres: \_\_\_\_\_)
- (10) 415,000.00 Other (Specify) contingencies

\$10,006,946.00\* Total (Same as 7 A)

\*Net of \$20,054 Bond Cost

04489

8

25

EXHIBIT  
NO. 26  
OCT 21 1986  
STATE BUDGET & CONTROL BOARD

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 10,006,946.00\*  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ <u>10,006,946.00*</u>	8. Other: _____	\$ _____
*Net of \$20,054 Bond Cost		=	

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1986/87 \$ 25,000.00  
(Expenditure purposes (use 7B categories): (1) Planning/design services)

B. Estimated expenditures after this FY: \$ 9,981,946.00

C. Total (Same as 7A, 7B and 7C): \$ 10,006,946.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ <del>10,006,946.00*</del> <u>10,027,000.00</u>	8115	28020	3043	<u>9-1</u>	<u>07 00</u>
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ <u>10,027,000.00</u> <del>10,006,946.00*</del>					

\*Net of \$20,054 Bond Cost

10. Submitted By:

W. E. Troublefield, Jr. *W. E. Troublefield, Jr.*  
Authorized Official: V. P. for Business & Administration  
Typed Name and Title and Signature

Date Submitted 9/26/86  
FY Submitted 1986/87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME \_\_\_\_\_

Date

**04490**

**26**



SEP 29 1986

# Lander

COLLEGE

Greenwood, South Carolina 29646

Vice President for Business & Administration

Telephone (803) 229-8305

September 26, 1986

## EXHIBIT

OCT 21 1986

NO. 26

STATE BUDGET & CONTROL BOARD

Mr. William McInnis  
Deputy Executive Director  
State Budget and Control Board  
Wade Hampton Building  
Columbia, S. C.

Dear Bill:

Attached are "A" forms to establish a project for the construction of our Physical Education Complex. The purpose of this letter is two-fold. The first purpose is to establish this as a project and have a project number assigned.

The second purpose is to request Board authorization to advertise for and interview architectural firms interested in the project. As you know, the Joint Bond Review Committee included the first release of funds for this project (\$25,000) in Group 10, beginning January 1, 1987. Obviously we are quite anxious to expedite this project and the first step is to select an architect. Even though funds will not be released until January 1, we could be utilizing the time between now and then to make the architect selection.

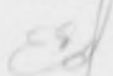
We are quite aware that we will only be interviewing and making a selection at this time. We realize that any contractual agreement with the architect selected could not be entered into prior to January 1, 1987, and then only with the approval of the Board. Once we have made the selection and have a proposed contract I will submit it to you for the Board's review and approval. I clearly understand that the Board will be concerned about approving any contract that may disrupt the bond release schedule and before any contractual commitment can be made that situation must be addressed.

04491

Mr. William McInnis  
Page 2  
September 26, 1986

I will appreciate your assistance in getting this project established and obtaining approval for us to proceed with the architect interview and selection process as soon as possible. If you need additional information, please contact me.

Sincerely,



W. E. Troublefield, Jr.  
Vice President for Business  
and Administration

WETjr:rk

Attachments

EXHIBIT

OCT 21 1986 NO. 26

STATE BUDGET & CONTROL BOARD

04492

SEP 19 1986

For Board Use Only

8-87 (10)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR \_\_\_\_\_

1. PROJECT IDENTIFIERS:

A. Agency: Number H-51 Name Medical University of South Carolina  
B. Contact Person: C. Edward Kaylor, Jr., Ph.D. Phone: 792-4103  
C. Project Name: Red Cross Facility Purchase #9260  
D. Facility Affected: Name \_\_\_\_\_ Number \_\_\_\_\_

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

This project would consist of the acquisition of the Red Cross Facility on Doughty Street.

Site Description: (Attach a map showing project location)

Location: Charleston Charleston  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

As land for expansion becomes more and more scarce in the urban environment of the Medical University, the opportunity to retrieve land (already owned by the Medical University) and a facility should be taken. As the attached map shows, this facility is near the

(What specific needs does this project address?):  
central core of the Medical University's campus.

EXHIBIT

OCT 21 1986

NO. 26

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN 3. BUDGET AND CONTROL BOARD

N/A

5. PRIORITY: This project is priority number 16 of 17 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, complete and attach addendum A-49

The operating costs associated with this facility are not known at this time.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 375,000

B. Total estimated cost of project includes the following (1 through 10 = 7A above)

- (1) \$ \_\_\_\_\_ Planning/design services
- (2) \_\_\_\_\_ Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft. \_\_\_\_\_)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space (Gross sq. ft. \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) 375,000 Purchase of facilities (Floor space, gross sq. ft. approx. 30,000)  
(Land, acres .75)
- (10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_

\$ 375,000

Total (Same as 7 A)

04493

10

34

7. C Total estimated cost of project by broad purpose Total cost \$ 375,000  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ <u>375,000</u>	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY 1986-87 \$ 375,000  
(Expenditure purposes (use 7B categories) \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 375,000

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service State Institution Bond (Funds available in September, 1986)	\$375,000	8111		3235	9001	0700
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ 375,000					

EXHIBIT

OCT 21 1986 NO. 26

STATE BUDGET & CONTROL BOARD

10. Submitted By:

Authorized Official Marion E. Woodbury Date Submitted 05/09/86  
Typed Name and Title and Signature  
Marion E. Woodbury, Vice President for Finance FY Submitted 1986-87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

Date 04494

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BUDGET AND CONTROL BOARD FORM A-13 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

For Board Use Only

8-87 (11)

Packet Number

## PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

## 1. PROJECT IDENTIFIERS:

A. Agency: Number P24 Name Wildlife and Marine Resources  
 B. Contact Person John B. Reeves Phone: 734-3975  
 C. Project Name: Horry County - Cartwheel Bay Land Acquisition # 9264  
 D. Facility Affected: Name N/A Number \_\_\_\_\_

## 2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

The purchase of four parcels of property to establish a South Carolina Heritage Preserve with access facilities for the public.

Site Description: (Attach a map showing project location)

Location: Horry 26 Floyds, S.C.  
 county code city site

## 3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

The Cartwheel Bay Complex was voted a priority protection project by the S.C. Heritage Trust Advisory Board. The area represents a large undisturbed Carolina bay/savannah complex which harbors three rare plant species.  
 (What specific needs does this project address?):

EXHIBIT

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NO. 26

## 4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

5. PRIORITY: This project is priority number 12 of 12 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes \_\_\_\_\_ No X If yes, complete and attach addendum A-49.

## 7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 400,000.00

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ \_\_\_\_\_ Planning/design services  
 (2) \_\_\_\_\_ Site work (including utilities)  
 (3) \_\_\_\_\_ Central energy systems repair/replacement  
 (4) \_\_\_\_\_ Mechanical systems repair/replacement  
 (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)  
 (6) \_\_\_\_\_ Roof repair/replacement  
 (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)  
 (8) \_\_\_\_\_ Equipment/supplies  
 (9) 400,000.00 Purchase of facilities: (Floor space, gross sq. ft.: \_\_\_\_\_)  
 (Land, acres: 880 acres)  
 (10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_  
 \$ 400,000.00 Total (Same as 7 A)

04495

11

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7. C. Total estimated cost of project by broad purpose: Total cost: \$ 400,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>400,000</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 400,000.00  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 400,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other Heritage Land Trust Fund	400,000.00	0604	98800100	3907	9001	0700
TOTAL (Same as 7A)	\$ 400,000.00					

10. Submitted By: John B. Reeves, Director  
Administrative Services Division

Authorized Official: [Signature]  
Typed Name and Title and Signature

Date Submitted 9/17/86

FY Submitted 86-87

11. APPROVED (For Board Use Only):

\_\_\_\_\_  
Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

Date

04496

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For Board Use Only

8-87 (12)

Packet Number

## PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number P24 Name Wildlife and Marine Resources

B. Contact Person John B. Reeves Phone: 734-3975

C. Project Name: Clarendon County - Junkyard Bay Land Acquisition # 9265

D. Facility Affected: Name N/A Number

**2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):**

The purchase of five parcels of property in Clarendon County for a Heritage Preserve.

Site Description: (Attach a map showing project location)

Location:	Clarendon	14	Manning, S.C.	
	county	code	city	site

3. **PROJECT JUSTIFICATION** (What does it consist of? Attach supporting documentation):

Junkyard Bay was voted a priority protection project by the S.C. Heritage Trust Advisory Board. It is one of the largest and least disturbed Carolina bays in the state.

(What specific needs does this project address?):

#### 4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

5. **PRIORITY:** This project is priority number 14 of 14 projects proposed in this program.

**6. ADDITIONAL OPERATING COSTS:** Will this project require additional annual operating costs?

Yes\_\_\_\_\_ No X If yes, complete and attach addendum A-49.

#### 7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 300,000.00

B. Total estimated cost of project includes the following (1. through 10.=7A above)

- (1) \$ \_\_\_\_\_ Planning/design services
- (2) \_\_\_\_\_ Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) 300,000.00 Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)
- (Land, acres: 613)

(10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_

\$ 300,000.00 Total (Same as 7 A)

04497

12

42

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 300,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>300,000.00</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 300,000.00  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 300,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other Heritage Land Trust Fund	300,000.00	0604	98800100	3907	9001	0700
TOTAL (Same as 7A)	\$ 300,000.00					

10. Submitted By: John B. Reeves, Director  
Administrative Services Division

Authorized Official: [Signature]  
Typed Name and Title and Signature

Date Submitted 9/17/86  
FY Submitted 86-87

11. APPROVED (For Board Use Only):

\_\_\_\_\_  
Typed Name and Title and Signature  
PROJECT NUMBER: \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

Date

04498

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SEP 24 1986

BUDGET AND CONTROL BOARD FORM A-13 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

For Board Use Only

8-87 (13)

Packet Number

## PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

## 1. PROJECT IDENTIFIERS:

A. Agency: Number P24 Name Wildlife and Marine Resources  
 B. Contact Person John B. Reeves Phone: 734-3975  
 C. Project Name: Bamberg County - Cathedral Bay Land Acquisition # 9266  
 D. Facility Affected: Name N/A Number

## 2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

The purchase of two parcels of property in Bamberg County to establish a S. C. Heritage Preserve with access facilities for the public.

Site Description: (Attach a map showing project location)

Location: Bamberg 05 01ar, S.C.  
 county code city site

## 3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

Cathedral Bay was voted a priority protection project by the S.C. Heritage Trust Advisory Board. The area represents an undisturbed Carolina bay that is composed almost entirely of cypress and serves as a resting and feeding area for white ibis.

(What specific needs does this project address?):

EXHIBIT

OCT 21 1986

NO. 26

## 4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3: STATE BUDGET &amp; CONTROL BOARD

5. PRIORITY: This project is priority number 13 of 13 projects proposed in this program.

## 6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes  No X If yes, complete and attach addendum A-49.

## 7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 45,000.00

B. Total estimated cost of project includes the following (1. through 10.= 7A above)

- (1) \$  Planning/design services  
 (2)  Site work (including utilities)  
 (3)  Central energy systems repair/replacement  
 (4)  Mechanical systems repair/replacement  
 (5)  General renovation/repair of floor space (Gross sq. ft.: )  
 (6)  Roof repair/replacement  
 (7)  Construction of additional floor space: (Gross sq. ft.: )  
 (8)  Equipment/supplies  
 (9) 45,000.00 Purchase of facilities: (Floor space, gross sq. ft.: )  
 (Land, acres: 67 acres)  
 (10)  Other (Specify)

\$ 45,000.00 Total (Same as 7 A)

04499

(13)

45

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 45,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>45,000.00</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 45,000.00  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 45,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other Heritage Land Trust Fund	45,000.00	0604	98800100	3907	9001	0700
TOTAL (Same as 7A)	\$ 45,000.00					

10. Submitted By: John B. Reeves, Director  
Administrative Services Division

Authorized Official: [Signature]  
Typed Name and Title and Signature

Date Submitted 9/17/86

FY Submitted 86-87

11. APPROVED (For Board Use Only):

\_\_\_\_\_  
Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

Date 04500

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For Board Use Only

7a

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT  
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1986-87

1. PROJECT IDENTIFIERS:

A. Agency: Number H-15 Name College of Charleston  
B. Contact Person Daniel Dukes Phone: 792-5708  
C. Project Name: Craig Cafeteria Renovation and Expansion 9306  
D. Facility Affected: Name Craig Cafeteria Number 1114

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

The College annually has around 1500 students on meal plans. The Craig Cafeteria seats only 275. Conditions are very crowded and many students are unable to find a seat during meal hours. Long lines waiting to enter the building usually occur. (see attachment)

Site Description: (Attach a map showing project location)

Location: Charleston 10 Charleston main campus  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

This project would satisfy student needs for adequate cafeteria seating. The cost would be considerably lower than the construction of a new cafeteria.

(What specific needs does this project address?):

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

Construction of a new cafeteria

5. PRIORITY: This project is priority number 2 of 5 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes ☐ No ☒ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ ~~600,000~~ 300,000

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ ~~50,000~~ 25,000 Planning/design services  
(2) \_\_\_\_\_ Site work (including utilities)  
(3) \_\_\_\_\_ Central energy systems repair/replacement  
(4) \_\_\_\_\_ Mechanical systems repair/replacement  
(5) ~~520,000~~ 260,000 General renovation/repair of floor space (Gross sq. ft.: 6400)  
(6) \_\_\_\_\_ Roof repair/replacement  
(7) \_\_\_\_\_ Construction of additional floor space; (Gross sq. ft.: \_\_\_\_\_)  
(8) \_\_\_\_\_ Equipment/supplies  
(9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)  
(10) ~~30,000~~ 15,000 Other (Specify) miscellaneous  
(Land, acres: \_\_\_\_\_)

\$ ~~600,000~~ 300,000 Total (Same as 7 A)

04501

## Craig Cafeteria Renovation and Expansion

page 2

2. continued

This is a difficult situation, particularly during very cold or very hot weather. Over crowding also causes safety problems. The cafeteria currently has approximately 3400 square feet of dining space. The proposed expansion would add approximately 3000 square feet. The cafeteria would be expanded to encompass dormitory rooms attached to the Craig Building. Twelve dormitory beds would be lost that would be transferred to another location.

The renovation and expansion would add approximately 200 seats. These additional seats would satisfy student needs for as long as the College continues its present FTE numbers, or if FTE's were slightly increased.

04502

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 600,000 300,000  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>Renovate</u>	<u>300,000</u>
		and expand	\$ <u>600,000</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1986-87 \$ 600,000 300,000  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 600,000 300,000

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ <u>300,000</u>	<u>8115</u>	<u>02501700</u>	<u>3043</u>	<u>9001</u>	
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other	300,000	7841	98800100	3116	9001	
TOTAL (Same as 7A)	\$ <u>300,000</u>					

10. Submitted By: Harry M. Lightsey, Jr., President

Authorized Official: Harry M. Lightsey Jr.  
Typed Name and Title and Signature

Date Submitted 6-26-86

FY Submitted 1985-86

11. APPROVED (For Board Use Only):

\_\_\_\_\_  
Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

Date 04503