

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

February 13, 1992

006823

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

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

February 13, 1992

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: Donna K. Williams, Assistant Executive Director *DKW*
SUBJECT: Summary of Board Actions at February 13, 1992, Meeting

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

1. Adopted the agenda as proposed;
2. Restored a portion of the 1% budget reduction to the following agencies:
Education Finance Act, \$5,500,000
John de la Howe School, \$32,000
Opportunity School, \$27,000
School for the Deaf and the Blind, \$102,000
3. In accord with Proviso 129.6, officially recognized a deficit of not to exceed \$162,867 (rather than \$49,086 as officially recognized on October 31, 1991) for the State Ethics Commission for 1991-92.

DKW/nsl

006824

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

FEBRUARY 13, 1992

10:00 A. M.

The Budget and Control Board met by means of a telephone conference call at 10:00 a.m. on Thursday, February 13, 1992, with the call originating from the Office of Executive Director, 620 Wade Hampton Office Building. The following members participated in the conference call:

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

Governor Campbell presided over the meeting via telephone. Messrs. Patterson, Morris, Drummond and Boan were present in the conference room.

The following staff members were present: Executive Director Luther F. Carter; Board Secretary Donna K. Williams; Deputy Executive Director J. Samuel Griswold; Chief Deputy Attorney General Joseph D. Shine; Senior Assistant State Treasurer C. C. "Chuck" Sanders, Jr.; Finance Committee Director of Research Susan K. Hooks; Ways and Means Committee Director of Research Frank Fusco; and other Board staff.

Adoption of Agenda

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted the agenda as proposed.

Budget Division: Department of Education Request for Partial Restoration of the 1% Budget Reduction to the EFA (Regular Session #1)

In response to Governor Campbell, Dr. Carter advised that notice of the meeting had been posted on Tuesday, February 11, 1992, at 4:30 p.m. Governor Campbell pointed out that notice of the meeting had been published on the same day the Board had been notified of a revenue shortfall.

The Budget Division advised that the Department of Education's 1% budget reduction of February 11 totalled \$11,439,636. The Education Finance Act accounted for \$7,924,023 of the total reduction.

The Board was advised that the Department has requested that \$5.5 million of this cut be restored. That will result in a reduction of \$2,424,023 (or 0.31%) to the EFA.

The Division recommended approval.

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**Minutes of Budget and Control Board Meeting
February 13, 1992 -- Page 2**

Mr. Patterson moved that the Board exempt \$5.5 million of EFA funds from the budget reduction. His motion was seconded by Mr. Morris.

Mr. Boan offered an amendment to the motion to include exemptions for the following three educational institutions that have been severely affected by budget cuts: John de la Howe School, \$32,000; Wil Lou Gray Opportunity School, \$27,000; and School for the Deaf and the Blind, \$102,000.

Mr. Patterson accepted the amendment to his motion.

Governor Campbell said he had no objection to the amendment in the spirit of trying to help the educational effort across the board.

Following a brief further discussion, the Board voted unanimously to restore a portion of the 1% budget reduction to the following agencies:

Education Finance Act, \$5,500,000
John de la Howe School, \$32,000
Opportunity School, \$27,000
School for the Deaf and the Blind, \$102,000.

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

Budget Division: Increased Ethics Commission Deficit to Allow Immediate Implementation of New Ethics Law (Regular Session #2)

The Budget Division advised that a State Ethics Commission deficit for 1991-92 was projected at \$49,086.

The Budget Division pointed out that, in order to implement the ethics legislation immediately, an increase in this projected deficit is essential. It now appears that the increase will be \$113,781, with a resulting **revised** deficit projection for 1991-92 of \$162,867. This increase is for increases in personal service (3.00 FTE) and operating expenses necessary to accomplish immediate implementation.

The Division recommended approval of the revision to the projected deficit.

In response to Governor Campbell, Dr. Carter advised that the revised figure is not beyond what the Commission had indicated would be necessary to implement the legislation.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board, in accord with Proviso 129.6, officially recognized a deficit of not to exceed \$162,867

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February 13, 1992 -- Page 3**

(rather than \$49,086 as officially recognized on October 31, 1991) for the State Ethics Commission for 1991-92.

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

Adjournment

Upon a motion by Mr. Patterson, the meeting was adjourned at 10:10 a.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 4:30 p.m. on Tuesday, February 11, 1992.]

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EXHIBIT

FEB 13 1992

1

STATE BUDGET AND CONTROL BOARD
MEETING OF February 13, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 1

AGENCY: Budget Division

SUBJECT: Department of Education Request for Partial Restoration of the 1%
Budget Reduction to the EFA

The Budget Division advises that the Department of Education's 1% budget reduction of February 11 totalled \$11,439,636. The Education Finance Act accounted for \$7,924,023 of the total reduction.

The Department has requested that \$5.5 million of this cut be restored. That will result in a reduction of \$2,424,023 (or 0.31%) to the EFA.

The Division recommends approval.

BOARD ACTION REQUESTED:

Restore \$5.5 million of the 1% budget reduction to the Education Finance Act.

ATTACHMENTS:

Agenda item worksheet

006828

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

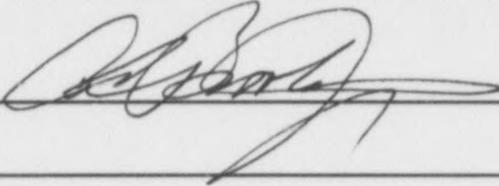
92-62

Meeting Scheduled for: February 13, 1992

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

S.C. Department of Education - Partial Restoration of the 1% cut to EFA.

3. Summary Background Information:

The S.C. Department of Education's 1% cut as authorized by the Budget and Control Board on February 11, 1992 was \$11,439,636. The Education Finance Act accounted for \$7,924,023 of the total reduction. It has been requested that \$5.5 million of this cut be restored making the EFA cut \$2,424,023 or 0.31%.

4. What is Board asked to do?

Restore \$5.5 million of the 1% cut to the EFA.

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:

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

EXHIBIT

FEB 13 1992

1

S.C. BUDGET & CONTROL BOARD

006829

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 AS PASSED BY THE GENERAL ASSEMBLY

5 February 12, 1992

6

7

S. 1296

8

9 Introduced by SENATORS Drummond, J. Verne Smith,
10 Land, Setzler, Bryan, Carmichael, Courson,
11 Courtney, Fielding, Giese, Gilbert, Robert W. Hayes
12 Jr., Helmly, Hinds, Hinson, Holland, Leatherman,
13 Leventis, Lourie, Macaulay, Martin, Martschink,
14 Matthews, McConnell, McGill, Mitchell, Moore,
15 Mullinax, O'Dell, Passailaigue, Patterson, Peeler,
16 Pope, Reese, Rose, Russell, Saleeby, Shealy, Nell
17 W. Smith, Stilwell, Thomas, Washington, Williams
18 and Wilson

19

20 S. Printed 2/12/92--S.

21 Read the first time February 12, 1992.

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A CONCURRENT RESOLUTION

TO APPROVE THE ACTIONS TAKEN BY THE BUDGET AND CONTROL BOARD TO OFFSET THE REDUCTION IN REVENUES IN FISCAL YEAR 1991-92.

Amend Title To Conform

Whereas, on February 10, 1992, the Board of Economic Advisors reduced further the revenue estimate for fiscal year 1991-92 to 3 billion, 385 million dollars; and

Whereas, the General Assembly recognizes the need to reduce the level of expenditure by state agencies by one percent in light of the Board of Economic Advisors' revised revenue estimate; and

Whereas, the General Assembly recognizes the austere fiscal situation impacting on school districts in this State; and

Whereas, there currently exists \$38,156,141 in the General Reserve Fund to cover any revenue shortfalls at the end of the fiscal year 1991-92.

Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the General Assembly approves, subject to those additional appropriations listed below in this resolution, the actions taken by the Budget and Control Board to offset the fifty-five million dollar reduction in revenues in fiscal year 1991-92 as follows:

1	(1)	Difference from the 7-26-91	
2		3% cut taken versus the BEA revenue	
3		reduction of \$148.2 million	19.7
4			
5	(2)	Radioactive waste surcharge	
6		increase January-June 1992	19.6
7			
8	(3)	1% across the board agency	
9		set-aside;	32.9
10		exempt EFA partial	(5.5)
11			
12	(4)	Reduce for the following agency	
13		deficits:	
14		(a) SC Department of Corrections	(8.0)
15		(b) Department of Social Services	(1.0)
16		(c) Other agencies	<u>(1.0)</u>
17			
18	(5)	Total amount to apply to reduction	\$56.7
19			
20	(6)	BEA revenue reduction 2-10-92	<u>(55.0)</u>
21			
22	(7)	Balance remaining	\$1.7.
23			

24 Be it further resolved that the General Assembly
 25 approval of the Budget and Control Board's action
 26 is contingent upon the Budget and Control Board
 27 restoring from the 1.7 million dollar balance
 28 remaining the following appropriations to the
 29 agencies shown:

30	(1)	John de la Howe School	32,000.00
31	(2)	Wil Lou Gray Opportunity School	27,000.00
32	(3)	School for the Deaf and Blind	<u>102,000.00</u>
33			161,000.00.
34			

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EXHIBIT

FEB 13 1992

2

STATE BUDGET AND CONTROL BOARD
MEETING OF February 13, 1992

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 2

AGENCY: Budget Division

SUBJECT: Increased Ethics Commission Deficit to Allow Immediate
Implementation of New Ethics Law

The Budget Division advises that a State Ethics Commission deficit for 1991-92 was projected at \$49,086.

In order to implement the ethics legislation immediately, an increase in this projected deficit is essential. It now appears that the increase will be \$113,781, with a resulting **revised** deficit projection for 1991-92 of \$162,867. This increase is for increases in personal service (3.00 FTE) and operating expenses necessary to accomplish immediate implementation.

The Division recommends approval of the revision to the projected deficit.

BOARD ACTION REQUESTED:

In accord with Proviso 129.6, officially recognize a deficit of not to exceed \$162,867 (rather than \$49,086 as officially recognized on October 31, 1991) for the State Ethics Commission for 1991-92.

ATTACHMENTS:

Agenda item worksheet; fiscal impact summary

006833

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/04)

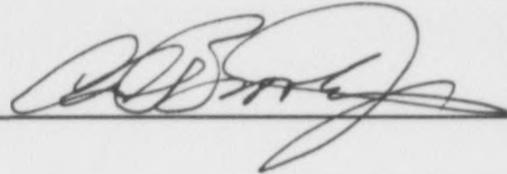
92-63

Meeting Scheduled for: February 13, 1992

Blue Agenda

1. Submitted By:

- (a) Agency: State Budget Division
(b) Authorized Official Signature: _____



2. Subject:

Increased Deficit 1991-92 Due to Immediate Implementation of New Ethics Legislation

3. Summary Background Information:

Previously, a deficit for 1991-92 was projected for the State Ethics Commission in the amount of \$49,086. In order to implement the State Ethics Legislation immediately, an increase in this deficit projection is essential. It now appears that the increase in this amount will be \$113,781, with a resulting revised deficit projection of \$162,867. The increase is to cover increases in personal service (3.00 FTE) and operating expenses, necessary to accomplish immediate implementation.

4. What is Board asked to do?

Be advised that the State Ethics Commission expects a 1991-92 deficit of \$162,867 rather than \$49,086 as previously communicated to the Budget and Control Board.

5. What is recommendation of Board Division involved?

Accept (approve) a revision of the 1991-92 deficit for this agency up to the amount of \$162,867.

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

Francis N. Barr

- (a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. Supporting Documents:

- (a) List Those Attached:
Proposed Fiscal Impact Summary

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

006834

WILLIAM A. COATES, 4TH DISTRICT
 CHAIRMAN
 EMILY C. PHILLIPS, 2ND DISTRICT
 VICE-CHAIRMAN



COMMISSIONERS
 EDWARD E. DURYEA, 1ST DISTRICT
 REV. DAVID L. TERRY, 3RD DISTRICT
 RICHARD C. JONES, 5TH DISTRICT
 C. A. HOUSEMAN, 6TH DISTRICT

State of South Carolina

State Ethics Commission

GARY R. BAKER
 EXECUTIVE DIRECTOR

January 20, 1992

(803) 253-4192
 FAX (803) 253-7639
 6000 Thurmond Mall, Suite 1
 P.O. Box 11926
 Columbia, S.C. 29211

FISCAL IMPACT SUMMARY - 1991 ETHICS REFORM ACT (R257 H3743)

PROVIDES FOR STANDARDS FOR PUBLIC OFFICIALS, MEMBERS, AND EMPLOYEES' CONDUCT RELATING TO ETHICS, CAMPAIGN PRACTICES, AND FINANCIAL DISCLOSURE (LOBBYISTS FUNCTION DELAYED TO 07/01/93)

	<u>ANNUAL</u>	<u>1/2 YEAR</u>	<u>1/3 YEAR</u>
PERSONAL SERVICES			
Per Diem	2,100	1,050	700
New Positions (3)			
Classified Positions:			
Attorney III (1)	32,895	16,448	10,965
Admin. Asst. III (1)	24,034	12,017	8,011
Admin. Asst. II (1)	<u>10,273</u>	<u>5,136</u>	<u>3,424</u>
Total New Pos. (3)	67,202	33,601	22,400
Reclassifications	<u>11,765</u>	<u>5,882</u>	<u>3,922</u>
Total Classified Positions	78,967	39,483	26,322
Total Personal Services	81,067	40,533	27,022
Employer Contributions	<u>16,552</u>	<u>8,277</u>	<u>5,517</u>
Total Pers.Serv.& E.C.	97,619	48,810	32,539
OPERATING EXPENSES			
Contractual Services	35,976*	17,988*	11,992
Supplies	17,091	8,545	5,697
Fixed Charges	12,150	6,075	4,050
Travel	<u>18,929</u>	<u>9,465</u>	<u>6,309</u>
Total Oper. Exp.	84,146	42,073	28,048
NON RECURRING			
Contractual Services	25,000*	25,000*	25,000
Equipment	<u>28,494</u>	<u>27,494</u>	<u>27,494</u>
Total Non Recurring	53,494	52,494	52,494
TOTAL IMPACT - SUMMARY	235,259	143,377	113,781

006835

1991-92 APPROPRIATIONS ACT

129.6. As far as practicable all departments, institutions, and agencies of the State are hereby directed to budget and allocate the appropriations herein made to them as quarterly allocations so as to provide for operation on uniform standards throughout the fiscal year and in order to avoid a deficiency in such appropriations. It should be recognized that academic year calendars of state institutions will affect the uniformity of the receipt and distribution of funds during the years. The Budget and Control Board is authorized to require any agency, institutions or department to file a quarterly allocations plan and is further authorized to restrict the rate of expenditures of the agency, institution or department if the Board determines that a deficit may occur. The bonds of State officials violating the terms of this section shall be held liable therefor, unless the Budget and Control Board has been advised of, and officially recognizes the necessity for such deficit.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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T H E E N D

006837