

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

February 19, 1987

009119

State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., 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
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

February 19, 1987

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Deputy Executive Director *WAM*
SUBJECT: Summary of Board Actions at February 19, 1987, 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 February 10, 1987, Budget and Control Board meeting;
2. Carried over a University of South Carolina Gamecock Club request that the Board acquiesce in the granting of a right-of-way easement on property on Kinderway Avenue to the South Carolina Electric and Gas Company;
3. Received as information State Treasurer's Office report that low level radioactive waste surcharge payments of \$371,539 were received in January and that a total of \$2,729,346 of such payments have been received in 1986-87 through January of which \$1,842,297.12 was disbursed to the General Fund, \$682,348 was disbursed to the U. S. Department of Energy, and \$204,700 was disbursed to Barnwell County;
4. Received as information reports that regulations drafting period notices are to be published in the State Register on the Explosives Control Act (State Fire Marshal); on revisions to Regulation 19-450 on permits for construction in State navigable waters (General Services); and on regulations to replace those in 19-445.2150 on the management of State surplus supplies and property (General Services);
5. Received as information a Department of Mental Health request for a \$1,700,000 supplemental appropriation;

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6. In accord with Part I, Section 135, of the 1986-87 Appropriations Act, officially recognized the necessity for a deficit in the budget of the Old Exchange Building Commission in 1986-87 and directed staff to make recommendations at the next meeting on alternatives for dealing with the agency's budget on an on-going basis;
7. Approved a Department of Mental Health request to transfer \$4,515,193 of personal service funds (\$2,645,456 General Fund and \$1,869,737 Other) to other operating expenses (contractual services);
8. In accordance with constitution and statutory requirements and based on revenue estimates submitted by the Board of Economic Advisors at the February 10, 1987, Budget and Control Board meeting, directed the Budget Division to reduce expenditures for fiscal year 1986-87 by \$17,000,000, subject to any action the General Assembly may adopt contrary thereto;
9. Approved the following rural improvement fund grants: (a) \$30,000 to Chester County; and (b) \$49,999 to the Town of Ravenel;
10. Carried over consideration of an Attorney General's Office opinion on the use of capital improvement bond funds to finance dormitory asbestos removal;
11. Provided consultation to Bond Committee by agreeing to the release of \$1,200,000 of capital improvement bond funds for the Division of General Services asbestos survey project as a new start project in Priority Group 10 and approved establishment of that permanent improvement project;
12. Adopted a resolution approving the issuance of \$7,800,000 USC Athletic Facilities Revenue Bond Anticipation Notes;
13. Approved the purchase of 2.101 acres of land and the 7,440 square foot office building located thereon in Spartanburg County by the Employment Security Commission from Pulliam Development Company for \$500,000, using capital improvement bond funds as the source of funds, on the condition that this revised description of project 9288 is reviewed by the Joint Bond Review Committee;
14. Authorized the Division of General Services to issue a request for proposals for an office automation system to serve the Materials Management Office;
15. Granted procurement certification to the Department of Vocational Rehabilitation within the parameters described in the audit report for the following limits for a period of three years: Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment of \$15,000 per commitment with all other procurements to remain at \$2,500;

Summary of BCB Actions
February 19, 1987, Meeting
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16. Approved the travel of Department of Agriculture staff member Roy W. Copelan, Jr., to San Juan, Puerto Rico and Aruba, Colombia during the April 8-16, 1987, period at an estimated cost of \$1,441 to be paid by the Foreign Trade Missions appropriation;
17. Approved the travel of JEDA Executive Director Elliott E. Franks, III, to Amsterdam, Holland, during the February 4-10, 1987, period at an estimated cost of \$814.32 to be paid from State funds, and directed the Office of Executive Director to advise each agency head of the requirement for prior Budget and Control Board approval of foreign travel;
18. Agreed to hold a regular meeting at 9:30 a.m. on Tuesday, March 10, 1987, in the Governor's conference room in the State House;
19. Heard a report on the AT&T telecommunications contract dispute in regular session and, after considering it further in executive session, noted that the matter is now in the courts and that the Board has instructed legal counsel to take such action as is necessary to protect the interests of the State of South Carolina.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

FEBRUARY 19, 1987

9:15 A. M.

The Budget and Control Board met at 9:15 a.m. on Thursday, February 19, 1987, in the Governor's conference room in the State House with the following members in attendance:

Governor Carroll A. Campbell, Jr., Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator Rembert C. Dennis, Chairman, Senate Finance Committee;
Representative Robert N. McLellan, Chairman, House Ways & Means Committee.

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
J. Samuel Griswold, Ph.D.	Deputy Executive Director
Q. Whitfield Ayres, Ph.D.	Governor's Director of Budget and Social Policy
Luther F. Carter, Ph.D.	Governor's Executive Assistant for Finance and Planning
Joseph A. Wilson, II	Chief Deputy Attorney General
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

Dr. Coles apologized to Board members for the delay in getting agenda materials delivered. He noted that the agenda packages had been delivered by courier yesterday morning which was the best staff could do. [Secretary's Note: Agenda materials were due in the Executive Director's Office by the close of business Friday. Those materials were reviewed and the agenda was published on Tuesday because State offices were closed for the holiday on Monday.]

Minutes of Previous Meeting (Regular #1)

Board members previously had been furnished a draft version of the minutes of the February 10, 1987, meeting.

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

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Blue Agenda

Following a review by Dr. Coles of the items included, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved all items on the blue agenda. Blue agenda item #1, a request for approval of the granting of an easement by the USC Gamecock Club, was carried over.

Blue agenda items are identified as such in these minutes.

General Services: Right-of-way Easement (Blue Agenda #1)

The Board carried over a University of South Carolina Gamecock Club request that the Board, in accord with Code Section 10-1-130, acquiesce in the granting of a right-of-way easement on property on Kinderway Avenue to the South Carolina Electric and Gas Company.

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

State Treasurer: Low Level Radioactive Waste Surcharge Collections (B #2)

The State Treasurer's Office reported that surcharge collections pursuant to Part II, Section 15 of Act 540 of 1986 as of January 31, 1987, were as follows:

	<u>January 1987</u>	<u>1986-87 Through January</u>
Received.....	\$371,539.00	\$2,729,346.00
Disbursed to:		
U.S. Department of Energy	92,884.75	682,348.00
Barnwell County	27,865.42	204,700.88
General Fund	<u>250,788.83</u>	<u>1,842,297.12</u>
TOTAL.....	\$371,539.00	\$2,729,346.00

The Board received as information State Treasurer's Office report that low level radioactive waste surcharge payments of \$371,539 were received in January and that a total of \$2,729,346 of such payments had been received in 1986-87 through January and that it had been disbursed as follows: \$1,842,297.12 to the General Fund; \$682,348 to the U. S. Department of Energy; and \$204,700 to Barnwell County.

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

Fire Commission and General Services: Drafting Period Notices (Blue #3)

The Board was advised of the following proposals to add or revise regulations which, under Code Section 1-23-110, require the publication of drafting period notices:

(a) The Fire Commission is drafting permanent State Fire Marshal regulations on the implementation of the Explosives Control Act of 1986 (Act 480 of 1986). The Board was reminded that emergency regulations on this subject are now in effect following the Board's determination on December 16, 1986, that an imminent peril to the public safety required their immediate promulgation.

(b) The Division of General Services proposes to revise Regulation 19-450 which pertains to permits for construction in State navigable waters. The Division indicates a need to clarify the regulations generally, with special focus on timing provisions and the terms of public notices.

(c) The Division of General Services proposes to replace the part of Regulation 19-445.2150 relating to the management of State surplus supplies and property with new regulations.

The Board received as information reports that regulations drafting period notices are to be published in the State Register on the Explosives Control Act (State Fire Marshal); on revisions to Regulation 19-450 on permits for construction in State navigable waters (General Services); and on regulations to replace those in 19-445.2150 on the management of State surplus supplies and property (General Services).

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

Budget Division: Supplemental Appropriation (Mental Health) (Blue #4)

The Budget Division advised that one agency, the Department of Mental Health, in accord with Code Section 11-11-130, filed what can be considered a request for a supplemental appropriation of \$1,700,000. The Division noted that agencies were not invited to seek supplemental appropriations this year in view of the potential revenue shortfall.

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The Board received as information a Department of Mental Health request for a \$1,700,000 supplemental appropriation.

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

Revision to Proposed Agenda

Mr. Patterson stated that, unless there is a compelling reason to consider the item relating to the AT&T telecommunications contract proposed for executive session in executive session, he would move that the Board consider it in open session.

Mr. Morris seconded the motion by Mr. Patterson and indicated that he had planned to make the same motion.

In the ensuing discussion, Mr. McLellan indicated that he did not know what is to be presented and therefore was not able to determine if a compelling reason exists for considering the matter in executive session. He asked Dr. Coles to outline what is to be presented on the item.

Dr. Coles advised the Board that there is no problem in discussing the status of the contract in open session. He noted, however, that a point will be reached in the discussion at which Board members will be informed of a lawsuit and that, at that time, they should hear from the Board's attorney in executive session.

The motion carried and the Board agreed to begin the discussion of the AT&T telecommunications contract matter in open session.

Governor Campbell asked Board members to skip over consideration of regular session item 2, 1986-87 budget recommendations, until Senator Dennis is present. The Board without objection agreed.

Old Exchange Building Commission: Anticipated Deficit (Regular Session #3)

The Board was advised that Old Exchange Building Commission Chairman John S. Coussons, in accord with the requirements of Section 135, Part I, of the 1986-87 Appropriations Act, has advised that a budget deficit of approximately \$39,916 is expected in the current fiscal year by his Commission.

The Board also was advised that staff of the Auditor's Office are working with the Commission to help define and handle the immediate problems posed.

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In response to Governor Campbell who asked if the deficit prospect is an indication of a management problem or a failure of budgeting, Dr. Coles indicated that the Commission's budget is \$96,000 State-appropriated funds and \$140,000 revenue-generated funds. He noted that the Commission for several years has not been able to generate the revenue it had projected. He also noted that the Commission had brought forward \$20,000 in unpaid bills from last year. Dr. Coles indicated that the Commission's new executive director has identified problems to the Commission and has moved managerially to resolve the problems. He advised Governor Campbell that the Commission has taken steps to reduce expenditures and that it had sold its cash register and duplicating machine and is turning in the State car assigned to it. Dr. Coles speculated that this Commission may be too small to operate independently.

Mr. McLellan noted that the Ways and Means subcommittee determined that the Commission has improperly estimated revenues. He reminded the Board that the Commission had requested \$23,000 from the Civil Contingent Fund earlier in the fiscal year which he recalled having been told was needed to pay for tort liability insurance but he said the funds were used to pay various accumulated bills. Mr. McLellan said that the Board should have known at the time of that request that the agency was in deficit.

Mr. McLellan indicated that the Ways and Means subcommittee had suggested putting the Commission under the direction of Parks, Recreation and Tourism. He noted that, if the Commission cannot be self-supporting, it should say so and it should be folded into the care of some other agency. He noted that it had had all sorts of problems, including a bad contract on roof repair.

In response to Mr. Patterson who asked if the scheme or theory is for this agency to be self-supporting, Dr. Coles advised that the Commission is run with the support of the Charleston and State Chapters of the Daughters of the American Revolution. He advised that the building is one of the few remaining which dates to the American Revolution and that the State had made a substantial investment in its renovation. He noted that revenues are generated by renting the building for weddings, receptions, etc., but that it is difficult to create a strong revenue base. He indicated that staff will explore various alternatives and bring a full report to the Board.

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Governor Campbell stated that there is no question but that the Exchange Building is an asset to the State which should be utilized but he observed that we have to be able to afford the funds needed to support it.

Mr. McLellan indicated that other State agencies have told Mr. Kirsh of the Ways and Means subcommittee they do not want to be responsible for running the Commission.

Following this discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board, in accord with Part I, Section 135, of the 1986-87 Appropriations Act, officially recognized the necessity for a deficit of approximately \$39,916 in the budget of the Old Exchange Building Commission in 1986-87 and directed staff to make recommendations at the next meeting on alternatives for avoiding that deficit and for dealing with the agency's budget on an on-going basis.

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

Budget Division: Personal Service Funds Transfer (Mental Health) (Reg #4)

Appearing before the Board on this matter were Budget Division Director A. Baron Holmes, IV, and Budget Analyst David L. Anderson. Mental Health Commissioner Joseph A. Bevilacqua was in attendance.

The Budget Division advised in the agenda materials that the Department of Mental Health requested approval of the transfer of \$4,515,193 (\$2,645,456 General Fund and \$1,869,737 Other) of personal service funds to Other Operating (Contractual Services) to cover increased payments for contracted nursing care.

Division staff recommended approval of the request and noted that the proposed transfer is in accord with the agency's Quarterly Allocation Plan. Staff also noted that the Department had given assurance that approval of the request will not result in a reduction in force.

Mr. Anderson advised that the Department has made several changes in its service delivery system as it moves to private sector operations for nursing care with acute psychiatric care to be the Department's focus. He advised that the requested transfer is not a permanent one and that later in the year a transfer will be requested to replace these personal service funds. He

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noted that the agency really has a facility line item budget which does not give the Department managerial flexibility to fit the service delivery system.

In response to Mr. Patterson, Mr. Anderson indicated that the Department has adjusted its budget for next year to cover this situation.

Mr. Morris moved that the Board approve the request. His motion was seconded by Mr. Patterson.

[Secretary's Note: Senator Dennis joined the meeting at this point.]

In response to Mr. Wilson, Mr. Anderson advised that the request is consistent with the requirement (in Part I, Section 145, of the Appropriations Act) that such transfers be limited to 20% of the program budget.

Governor Campbell advised the Board that a unanimous vote is required for such transfers.

Following this discussion, the Board unanimously approved the Department of Mental Health request to transfer \$4,515,193 of personal service funds (\$2,645,456 General Fund and \$1,869,737 Other) to other operating expenses (contractual services).

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

Budget Division: 1986-87 Budget Recommendations (Regular Session #2)

Budget Division Director Holmes appeared before the Board on this matter.

Dr. Coles noted that, in response to the February 10 report of the Board of Economic Advisors, the Board had directed the Budget Division to present its report and recommendations on further budget reductions and on agency requests for exemption from the reductions.

Mr. Morris inquired about the legal implications of Board action at this point and indicated that the matter is really in the General Assembly's ball park now.

Dr. Coles advised that Section 144 of the Appropriations Act requires that the Board notify the General Assembly of the projected shortfall before taking any action and, calling attention to the copies of letters of notification in the agenda materials, reported that the General Assembly has now been notified as is required. He also pointed out that the funds to be cut actually are to be escrowed which allows the Board to return them to the agencies to which they had been appropriated should the revenue situation change for the better.

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Mr. Morris noted that the General Assembly, when notified, can take action if it desires to do so.

Both Senator Dennis and Mr. McLellan advised that the legislature has taken no action and that neither Senate nor House action is anticipated.

Dr. Holmes advised that, following the latest revenue forecast for 1986-87 by the Board of Economic Advisors, the State is faced with the prospect of finishing the year \$24 million in the red. He stated that the Board's responsibility is to develop a plan to finish the year in balance and that his Division has responded to the Board's request for such a plan. He said that the Board's only recourse is to look at special deposits and to consider anticipated lapses.

Dr. Holmes indicated that \$8.5 million in anticipated lapses have been identified which he felt was a conservative estimate in view of last year's total of \$22 million. He expressed the view that, if the Board got tough on transfers, lapses could be as high as \$12 million. He asked the Board for guidance on handling agency transfer requests for the remainder of the fiscal year, noting that a freeze on transfers probably would not be wise.

Dr. Holmes noted that there has been a \$122 million (4.4%) reduction in projected revenue since the beginning of the fiscal year. To bring expenditures into line with the projected revenue, he noted a \$1.1 million revenue adjustment (prior year revenue reimbursement to Mental Retardation) and taking into account the projected lapse of \$8.5 million, he recommended that the Board approve an 0.8% across-the-board budget cut which would amount to \$17,026,290 after the recommended exemptions which were listed on a handout distributed by Dr. Holmes. He indicated that it is extremely difficult for small agencies to take a budget cut and asked the Board to renew its exemption for those agencies exempted from the 2.6% budget reduction.

In response to Mr. Morris, Dr. Holmes indicated that exempting agencies with fewer than ten employees would cost approximately \$40,000 to \$45,000. Dr. Holmes recommended that rather than exempting agencies with fewer than ten employees that the Board consider exempting the licensing boards.

Dr. Holmes then reviewed major additional recommended exemptions from the 2.6% reduction which totalled \$4,392,840: Technical Education special schools, \$1.2 million; Department of Education School Bus Transportation,

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\$700,000; Department of Mental Health, \$1.7 million; Clemson PSA Cooperative Extension Service, \$260,000; Tax Commission field audit and field service staff, \$514,000. Dr. Holmes noted that, of the requests for exemptions from the 0.8% cut totalling \$13.5 million, his Division has recommended exemption of just over \$4 million. He indicated that there are many more needy cases.

Dr. Holmes advised that 21 states have had mid-year budget reductions and that seven states have cut budgets more than 4.4%. He noted that South Carolina this year has had a total budget reduction of 4.4% (2.6% + 0.8% + 1% represented by application of the capital expenditure fund). He again recommended that the Board require an additional budget reduction of 0.8% for all agencies except those exemptions listed on the handout which amounted to some \$13.4 million.

Governor Campbell observed that, in an earlier meeting, members of the General Assembly had lamented the tight budget constraints and that they had indicated that the General Assembly had always lived up to its funding obligations. Governor Campbell said he had responded that the General Assembly had not lived up to its obligations if it had overfunded and had funded with blue smoke and mirrors which he felt had done more damage by not dealing with the funding problems on the front end.

Senator Dennis, though he indicated that he was not clamoring to make this motion, moved that, in accordance with constitution and statutory requirements and based on revenue estimates submitted by the Board of Economic Advisors at the February 10, 1987, Budget and Control Board meeting, the Board direct the Budget Division to reduce expenditures for fiscal year 1986-87 by \$17,000,000, subject to any action the General Assembly may adopt contrary thereto.

Mr. Patterson seconded the motion.

In the ensuing discussion, Mr. McLellan indicated that he would support the motion but he questioned using anticipated lapsed funds in this way. He observed that it precludes a supplemental appropriation and he expressed the view that it is a poor procedure to use lapsed funds to balance the budget.

Governor Campbell stressed the need for an early and fast estimate of revenue instead of a floating target. He expressed the hope that the Board will not be in this position next year.

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Mr. Patterson observed that the appropriations act each year includes a statement that appropriations made are conditioned upon revenues being available.

Following this discussion, the motion by Senator Dennis, which was seconded by Mr. Patterson, was approved unanimously.

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

Local Government: Rural Improvement Funds Grant Requests (Regular #5)

Local Government Division Director Mike Gullledge appeared before the Board on this matter.

The Division of Local Government advised in the agenda materials that the following requests for rural improvement funds had been received:

(a) Chester County: \$30,000 to help finance the addition of five miles of water line to serve the Great Falls area of the County. The project would serve a depressed area of the County generally and would specifically serve Acme Nameplate and Manufacturing, Inc., now the largest corporate employer in the area (85 jobs), which is facing dramatic increases in its insurance premium because of the lack of adequate water supply to change an overhead sprinkler system.

The Division advised that the request is brought to the Board because \$29,500 was awarded to the County on December 4, 1986, for this same purpose. The Division indicated that, if the request is approved, the funds would come from House and Senate accounts in equal amounts.

(b) Town of Ravenel (Charleston County): \$49,999 to help finance the completion of a water distribution system. The Division noted that rural improvement funds in the amount of \$49,999 were granted in 1985 and that \$50,000 of these funds also were approved in 1986. Total cost of the project is estimated at \$942,001 of which \$500,000 are to be federal funds, \$170,000 are from the City of Charleston Commissioners of Public Works and \$122,003 are to be provided by the Town of Ravenel, in addition to the State funds indicated.

The Division indicated that half of the funds requested are to come from Senate accounts and half from House accounts.

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Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the following rural improvement fund grants: (a) \$30,000 to Chester County; and (b) \$49,999 to the Town of Ravenel.

In response to Mr. Patterson, Mr. Gullledge indicated that he will provide the Board with lists of pending projects which indicate a need for action on water and/or sewer areas.

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

Attorney General: CIB Funds for Dormitory Asbestos Removal (Reg #6)

The Board was advised in the agenda materials that staff of the Attorney General's Office had indicated that the opinion requested by Executive Director Coles on the use of capital improvement bond funds to finance dormitory asbestos removal would be presented at the meeting.

The Board also was reminded that, at its February 10 meeting, it had approved the establishment of the USC-Columbia Hall (Dormitory) Asbestos Removal project so as to permit it to be implemented, on the condition that the approved source of funds for the project be excess USC housing bond reserve funds until the Board could take definitive action on the project source of funds question.

Dr. Coles advised that the Attorney General's Office opinion (which concluded that capital improvement bond funds could be used as a source of funds for dormitory asbestos removal projects provided the general fund is repaid using revenues derived from an adjusted student housing fee so as to maintain student housing on a self-supporting basis) had been received. He also said that he had discussed it with a USC representative. He recommended that the Board carry over its consideration of this item and indicated that this delay will not adversely affect USC.

Upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board carried over consideration of the Attorney General's Office opinion dated February 18, 1987, on the use of capital improvement bond funds to finance dormitory asbestos removal.

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

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General Services: Asbestos Survey Project (Regular #7)

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

The Board was advised in the agenda materials that the Joint Bond Review Committee, at its February 17 meeting, had agreed to make available immediately \$1,200,000 of capital improvement bond funds to finance the survey of asbestos in State-owned buildings. The materials pointed out that these funds would be used to finance about a year of detailed survey work which would be focused on the Priority 1 situations identified by the Board's Asbestos Task Force. The agenda materials noted that training and DHEC lab work proposed by the Task Force are not to be financed from these monies.

The Board was asked to concur in the immediate release of these funds as a new start project in Priority Group 10 (for expenditure in the January-June 1987, period). Trailing draws of these funds likely will appear in Priority Group 11 (July-December 1987) and Priority Group 12 (January-June 1988).

The Board also was asked to approve the establishment of the \$1.2 million asbestos survey project.

Mr. McInnis pointed out that the Bond Committee had agreed to the release of these funds for the survey project at its February 17 meeting. He emphasized that these funds are estimated by General Services to cover survey costs for approximately one year. He also pointed out that this survey work would be confined to the priority one situations identified by the Board's Asbestos Task Force.

Mr. McLellan observed that the Board needs to understand that this funding is for one year of work and that the project will require an additional \$3.6 million if it stays on this course. In response to Mr. McLellan, Mr. McInnis stated that USC, Clemson, and MUSC would not be included in this survey work because these institutions had already completed surveys of this sort.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board provided consultation to Bond Committee by agreeing to the release of \$1,200,000 of capital improvement bond funds for the Division of General Services asbestos survey project as a new start project in Priority Group 10 and approved establishment of that permanent improvement project.

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

USC: Athletic Facilities Revenue Bond Anticipation Notes (Regular #8)

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

The Board was advised in the agenda materials that bond counsel for the University of South Carolina had forwarded a request by the University of South Carolina to issue \$7,800,000 of its Athletic Facilities Revenue Bond Anticipation Notes. The agenda materials also noted that the resolution proposed for adoption by the Board indicated that \$6,300,000 of these proceeds and \$700,000 from reserve funds would be used to pay the \$7,000,000 of notes which mature March 12, 1987, and that \$1,500,000 of these proceeds would be used to make certain improvements to the University's Athletic Facilities.

Bond counsel also noted that the Board in 1981 had approved the issuance of not exceeding \$12 million of Stadium Improvement Revenue Bonds pursuant to Act 518 of 1980 (which was amended by Act 545 of 1986 to authorize Athletic Facilities Revenue Bonds). The agenda materials also indicated that, in 1982, USC issued \$10 million of Anticipation Notes against that authorization and that \$3 million of that issue have now been retired.

Mr. McInnis stated that USC is using \$700,000 of excess debt service funds to pay down to \$6,300,000 the \$7 million note which matures on March 12. He said USC then is increasing the note by \$1,500,000 to finance work on certain of the University's athletic facilities to bring the note amount to \$7,800,000.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution approving the issuance of \$7,800,000 USC Athletic Facilities Revenue Bond Anticipation Notes.

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

General Services: Spartanburg Property Purchase (ESC) (Regular #10)

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

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The Division of General Services advised in the agenda materials that the Employment Security Commission proposes to purchase the 7,440 square foot building and the 2.101-acre site on which it is located now leased under a 10-year lease approved by the Board in December 1985.

The Board also was advised in the agenda materials that the Commission proposes to pay \$500,000 for the facility which has been appraised at \$600,000 by Mr. James H. Robinson, MAI. The materials also indicated that Property Management Director Jack Sprott had estimated the cost of the building and land involved at \$479,557 which he suggested may be conservative, and that, using the income approach, Mr. Sprott had estimated the property value at \$510,000.

The agenda materials also noted that the Board on September 23, 1986, released the \$500,000 of capital improvement bond funds authorized in 1986 for an Employment Security office building in Spartanburg. The Board was reminded that that action also approved a permanent improvement project (#9288) which was described as including the purchase of land and the construction of a new office building containing 7,500 square feet of space.

The Board was advised that, if it approves this request, the change from constructing a new office building to buying one should be subject to the Bond Committee's review.

In response to Mr. Patterson, Mr. Kelly indicated that federal funds would repay these costs and that title to the property will be in the name of the State.

Upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board approved the purchase of 2.101 acres of land and the 7,440 square foot office building located thereon in Spartanburg County by the Employment Security Commission from Pulliam Development Company for \$500,000, using capital improvement bond funds authorized for this purpose as the source of funds, on the condition that this revised description of project 9288 is reviewed by the Joint Bond Review Committee.

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

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General Services: Office Automation System RFP for MMO (Regular #10)

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

The Division of General Services asked that the Board, as an exception to its general policy on the matter, authorize it to issue a request for proposals instead of a request for bids for an office automation system to serve the Materials Management Office.

Mr. Kelly advised that the Materials Management Office is the central State warehouse and handles supplies and procurements. He advised that MMO is setting up a software program and needs a hardware package. He indicated that funds are available to purchase the system.

Mr. Kelly stressed that there are several ways of meeting the need and he said his Division is looking for vendors who will give information needed and he said this is impossible to do on a bid request. In response to Mr. Patterson, who asked why the Division could not determine beforehand what is needed, Mr. Kelly noted that gathering the information which could be provided by vendors in response to the RFP would be a very lengthy process.

He also assured Governor Campbell, who expressed concern that use of the RFP might narrow the field of competitors to one or two, that the Division had no intention whatever of excluding anyone from the process.

Mr. Kelly advised Mr. McLellan that the funds required are available and that they are appropriated funds.

Both Mr. Patterson and Mr. Morris indicated that the RFP process never ends and that it spawns protests, appeals, and lawsuits.

In response to Mr. McLellan's inquiry about the delay which could result from using a bid basis, Mr. Kelly said that it could be between three and six months. He noted also that the delay would mean the Division would provide less than adequate support to the Comptroller General's office on vendor coding and that the Division's overloaded system would continue to offer little problem-solving help.

Mr. Kelly noted that he knows the Board's feelings about RFPs and that that makes it difficult for him to even ask for this exception but he assured the Board that the Division has no intention of excluding any vendor and that it would take every precaution to avoid doing so.

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Regular Session — February 19, 1987 — Page 16

Following this discussion, Senator Dennis expressed confidence that the Division of General Services would handle the RFP approach appropriately and he moved that the Board authorize the Division of General Services to issue a request for proposals for an office automation system for the Division's Materials Management Office. Mr. Morris seconded that motion.

By a vote of four to one (with Mr. McLellan voting against the motion), the Board approved the motion by Senator Dennis.

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

General Services: Procurement Recertification (Voc Rehab) (Reg#11)

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

The Division of General Services advised that it has audited the Vocational Rehabilitation Department's procurement system and that it recommends certification within the parameters described in the audit report for the following limits for a period of three years: Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment of \$15,000 per commitment. All other procurements are to remain at \$2,500.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board granted procurement certification to the Department of Vocational Rehabilitation within the parameters described in the audit report for the following limits for a period of three years: Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment of \$15,000 per commitment with all other procurements to remain at \$2,500.

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

Department of Agriculture: Foreign Travel (Regular #12)

The Department of Agriculture requested approval of the travel of Roy W. Copelan, Jr., to San Juan, Puerto Rico and Aruba, Colombia during the April 8-16, 1987, period to promote the sale of South Carolina food and agricultural

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Minutes of State Budget and Control Board Meeting
Regular Session -- February 19, 1987 -- Page 17

products, represent and manage the booth for the S. C. Department of Agriculture, assist S. C. firms participating in the Caribbean Food and Equipment Trade Exposition, visit trade contacts related to fresh produce and VAT products.

The estimated cost of the travel is \$1,441 and will be paid by the Foreign Trade Missions appropriation.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the travel of Department of Agriculture staff member Roy W. Copelan, Jr., to San Juan, Puerto Rico and Aruba, Colombia during the April 8-16, 1987, period at an estimated cost of \$1,441 to be paid by the Foreign Trade Missions appropriation.

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

Jobs-Economic Development Authority: Foreign Travel (Regular #13)

The Jobs-Economic Development Authority requested approval after-the-fact for the travel of Executive Director Elliott E. Franks, III, to Amsterdam, Holland, as a guest of Ammerlaan AgroManagement, Inc., during the February 4-10, 1987, period to view and become more knowledgeable about the greenhouse industry technology. The cost of this travel was \$814.32.

Mr. Morris moved that the Board approve the request and his motion was seconded by Mr. Patterson.

Mr. Wilson noted that the action should be to ratify what has been done.

Mr. McLellan asked that the motion be amended to include a request that the Office of Executive Director notify agency heads of the requirement for prior Board approval of foreign travel.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the travel of JEDA Executive Director Elliott E. Franks, III, to Amsterdam, Holland, during the February 4-10, 1987, period at an estimated cost of \$814.32 to be paid from State funds, and directed the Office of Executive Director to advise each agency head of the requirement for prior Budget and Control Board approval of foreign travel.

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

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Minutes of State Budget and Control Board Meeting
Regular Session -- February 19, 1987 -- Page 18

Budget and Control Board: Future Meeting (Regular #14)

The Board agreed to hold a regular meeting at 9:30 a.m. on Tuesday, March 10, 1987, in the Governor's conference room in the State House.

Dr. Coles advised that the Reorganization Commission and Representative Toal have requested to appear before the Board at the March 10 meeting to make a presentation on the relocation of the Central Correctional Institution of the Department of Corrections.

Executive Director: AT&T Telecommunications Contract (Executive #1)

Chief Deputy Attorney General Wilson advised the Board that he has an ethical conflict because his spouse works for AT&T. He advised that the Attorney General's Office has sent substitute counsel to represent the Board.

Senator Dennis noted that some Board members are attorneys and Dr. Coles advised that counsel has been employed by the Board to deal with the AT&T contract.

Deputy Executive Director Griswold appeared before the Board on this matter.

Dr. Griswold expressed the view that the Board is in a very defensible position regarding the disputed points in the AT&T telecommunications contract. He advised that, in December 1984, the Board had entered into a three-year contract with AT&T to assess the State's telephone needs, design a system and tell the State how to install the system. He indicated that the contract with AT&T resulted from its response to a request for proposals and that four firms had responded to that RFP.

Dr. Griswold indicated that a series of disagreements had developed between the State and AT&T and that, while some were resolved, some were more involved. He further indicated that some of the issues have created increased costs and have caused damages to the State.

He noted that the State thus far has paid over \$20 million to AT&T and that there is no dispute over that \$20 million. He indicated that the original contract was for \$13 million for the Columbia and Charleston and that it had been expanded to include other systems such as SC State College, Lander, Francis Marion, and some USC branches.

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Regular Session -- February 19, 1987 -- Page 19

Dr. Griswold noted that USC has contracted with AT&T for \$6 million and that, so far, South Carolina taxpayers have paid over \$30 million to AT&T for these several systems.

Dr. Griswold noted that comments have been made about the State's ability to pay the bills now outstanding with AT&T. He stated that the State's telephone system has the ability to pay the \$3 million and that that matter is not the issue today.

He indicated that the State has on several occasions tried to get AT&T to resolve the differences and that those attempts are well documented.

Dr. Griswold noted that AT&T advised by letter delivered on February 12 that it will not provide service effective February 20, which is the date of the cutover for the S. C. State College phone system, if the State has not paid the \$3 million by that time. Dr. Griswold said that that indication by AT&T was considered a very critical statement.

He advised that he and other staff met with AT&T representatives, including Mr. Boyd M. Guttery, Area Vice President of AT&T Information Systems, out of Atlanta, on Monday without attorneys present. He further advised that he had indicated in his February 16 letter that the State is willing to negotiate and that he had tried to establish a common ground and had stressed a need to resolve the conflicts.

Dr. Griswold advised that he had indicated to AT&T that the State cannot allow a vendor to tell the State what is or is not emergency service. He advised that he had asked AT&T to rescind the February 12 letter and to continue the status quo and that AT&T had responded that, if the State does not pay the \$3 million, AT&T will discontinue service.

Dr. Griswold stated that he had conducted a telephone conference call at 4:30 p.m. on Tuesday which resulted in no additional negotiating points and in which AT&T had refused again to retract the February 12 letter. He further advised that the State has been served with papers and that AT&T is suing the State for \$3.6 million. Dr. Griswold said that he views that as a positive in that it says to everyone that AT&T has a means to resolve the conflict which, he felt, is what the courts are for.

He said that, after having been served with the papers, the Board's attorney had phoned the AT&T attorney and questioned whether, since the

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Regular Session -- February 19, 1987 -- Page 20

dispute is in the court system, the State is still under the constraints of the February 12 letter. AT&T responded that the letter remains in place and that maintenance of the State telephone system stops at 5 p.m. on Friday.

Governor Campbell noted that the dispute has been going on for 14 to 15 months without resolution and questioned whether AT&T or the State had ever sought advisory arbitration.

Dr. Griswold said that advisory arbitration had not been sought to his knowledge and he indicated that all disputed issues had been treated separately and independently. He expressed the view that each of the conflicts is resolvable if handled separately. He indicated that all of the conflicts had been put in one bundle on January 26.

Governor Campbell asked if AT&T had ever mentioned an outside look by a third party prior to the court action and Dr. Griswold replied that AT&T has said that the purpose of the February 12 letter was to elevate discussions to higher levels of the Budget and Control Board.

Mr. Patterson suggested that it is time to sit down and reason together, but the State is up against the letter which says support will cease on Friday. He expressed the view that this is unjust interference with State operations.

Dr. Griswold noted that service will be discontinued except in situations which are clearly life-threatening. He noted that agencies normally considered in that general category include the prison system, Mental Health, law enforcement agencies generally and executive control of the State. He also said that he had contacted the Office of Disaster Preparedness on this point and that General Joshua Moore had provided a letter outlining operations that are considered by that Office as essential to State operations. General Moore made the point that all State agencies are involved in emergency operations. Dr. Griswold then read the following paragraph from General Moore's letter: "As you can see, emergency operations have an everlasting ripple effect. We have state agencies with operational elements at county level, such as DHEC and DSS. At State supported schools, even student telephones are considered to be necessary in the event of a crisis in student living quarters. Then consider the communications necessary should (God forbid!) a nuclear attack ever be launched against the United States."

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Regular Session -- February 19, 1987 -- Page 21

Dr. Griswold expressed the view that, in the event of problem, the telecommunications system of the State is essential and that it goes beyond the obvious such as service to hospitals and the like.

In response to Mr. Morris, Dr. Griswold indicated that, if AT&T discontinues service, the State could run the system. Mr. McLellan expressed the opinion that the State could run the system as well as it is being run now.

Mr. Patterson inquired if the State has sought a temporary injunction to negate the effects of the AT&T letter. Dr. Griswold advised Senator Dennis that attorney Craig Davis, a private attorney employed by the Board, has been advising the State on this matter. Senator Dennis indicated that the discussion has reached a point where legal advice is needed and that the State needs to consider a counter suit and an injunction. He expressed the view that AT&T has not been taken advantage of as somebody is trying to do to the State.

Mr. Morris expressed amazement at the action of AT&T. He said that this is not in consonance or character with the image of AT&T and that he is hurt by the AT&T action. He noted that \$30 million is not a small amount and indicated his shock at the attitude displayed by AT&T toward its largest customer in South Carolina.

Dr. Griswold indicated that the South Carolina State government system has been AT&T's largest effort at one time in the nation. In a project of this magnitude, he said that a ten percent area of disagreement would not be considered unreasonable. He said that his efforts at resolving the differences had been met with an arrogant approach by AT&T and that AT&T had been difficult to deal with.

Senator Dennis expressed the view that the Board needs an opinion from its attorney and Governor Campbell agreed that the Board needs to be briefed on the lawsuit.

Upon a motion by Mr. McLellan, seconded by Mr. Patterson, the Board agreed to continue the discussion in executive session.

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

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Minutes of State Budget and Control Board Meeting
Regular Session — February 19, 1987 — Page 22

Executive Session

Following the Board's agreement to continue the discussion of the AT&T telecommunications contract during executive session, Governor Campbell declared the meeting to be in executive session.

Ratification of Executive Session Actions

Following its consideration of the executive session item, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board agreed to continue the meeting in open session during which, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board ratified the following action which was taken during executive session:

Heard a report on the AT&T telecommunications contract dispute in regular session and, after considering it further in executive session, noted that the matter is now in the courts and that the Board has instructed legal counsel to take such action as is necessary to protect the interests of the State of South Carolina.

Adjournment

Upon a motion by Mr. Morris, seconded by Mr. McLellan, the meeting was adjourned at 11:45 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 17, 1987.]

009144

EXHIBIT

FEB 19 1987 NO. 1

STATE BUDGET & CONTROL BOARD
STATE BUDGET AND CONTROL BOARD BLUE AGENDA
MEETING OF FEBRUARY 19, 1987 ITEM NUMBER 1

AGENCY: General Services

SUBJECT: Right-of-way Easement

The Division of General Services recommends approval of a University of South Carolina Gamecock Club right-of-way easement on property located on Kinderway Avenue to the South Carolina Electric and Gas Company.

The action is requested in accord with Code Section 10-1-130 under which the agency may grant easements provided the Budget and Control Board acquiesces.

The Attorney General's Office has advised the Division of General Services that these types of easements do not require the approval of that Office.

BOARD ACTION REQUESTED:

Acquiesce in the University of South Carolina Gamecock Club grant of a right-of-way easement on property on Kinderway Avenue to the South Carolina Electric and Gas Company.

ATTACHMENTS:

Agenda item worksheet and attachment.

009145

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

BLUE AGENDA
ITEM NUMBER

1

AGENCY: General Services

SUBJECT: Right-of-way Easement

The Division of General Services recommends approval of a University of South Carolina Gamecock Club right-of-way easement on property located on Kinderway Avenue to the South Carolina Electric and Gas Company.

The action is requested in accord with Code Section 10-1-130 under which the agency may grant easements provided the Budget and Control Board acquiesces.

The Attorney General's Office has advised the Division of General Services that these types of easements do not require the approval of that Office.

BOARD ACTION REQUESTED:

Acquiesce in the University of South Carolina Gamecock Club grant of a right-of-way easement on property on Kinderway Avenue to the South Carolina Electric and Gas Company.

ATTACHMENTS:

Agenda item worksheet and attachment.

009146

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

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

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

Cross references—

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

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

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

DD9146-A

INDENTURE, made this _____ day of _____, 19 86 by and between _____ Gamecock Club of the University of South Carolina

of the City _____ of Columbia _____, County of Richland _____ 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 Grantee).

WITNESSETH:

That, in consideration of the sum of One Dollar (\$1.00) received from Grantee, Grantors, being the owners of land situate in the County of Richland _____, State of South Carolina, hereby grant and convey to Grantee, its successors and assigns, the right to construct, extend, replace, relocate, perpetually maintain and operate an electric line or lines consisting of any or all of the following: poles, conductors, overhead and underground lightning protective wires, municipal, public, or private communication wires, underground cables, conduits, transformer pads, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary therefor, upon, over, across, through, and under land described as follows: a tract or lot of land containing 5 lots ~~more~~ more or less, and being the same lands conveyed to grantor by deed ~~XXXXX~~ of Peggy H. Oliver & Peter C. Oliver _____, dated July 30, 1982 _____, and recorded in the R. M. C. ~~Probate~~ Office for Richland _____ County in Deed Book D-613, at Page 577.

Right-of-Way to enter Grantor's land from Kinderway Avenue and run in a north-westerly direction along road for 310', more or less.

Grantee agrees to relocate poles one (1) time at Grantee's sole expense if suitable right-of-way is given.

EXHIBIT

FEB 19 1987 NO. 1

STATE BUDGET & CONTROL BOARD

Together with the right from time to time to install on said line such additional lines, apparatus and equipment as Grantee may deem necessary or desirable and the right to remove said line or any part thereof.

Together also with the right to lay, construct, maintain, operate, repair, alter, replace and remove pipe lines, together with valves, tieovers and appurtenant facilities for the transportation of gas, oil petroleum products or any other liquids, gases or substances which can be transported through a pipe line.

Together also with the right from time to time to trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through a strip of land extending ten (10) feet on each side of the center of said lines, cables, conduits, or pipes as they may be located now or in the future; provided, however, any damage to the property of Grantors (other than that caused by trimming, cutting or removing) caused by Grantee in maintaining or repairing said lines, shall be borne by Grantee; provided further, however that Grantors agree for themselves, their successors and assigns, not to build or allow any structure to be placed on the premises in such a manner that any part thereof will exist within the above specified number of feet of any wire strung on the said lines or over any such cables, pipes, conduits, or other associated facilities, and in case such structure is built, then the Grantor, or such successor and assign as may be in possession and control of the premises at the time, will promptly remove the same upon demand of the Grantee herein. Together also with the right of entry upon Grantors' said lands for all of the purposes aforesaid.

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 caused this indenture to be duly executed the day and year first above written.

WITNESS:

Gamecock Club of University of South Carolina

by: _____

(SEAL)

(SEAL)

Approval by the S.C. Budget and Control Board _____

(SEAL)

By: _____

009147

(SEAL)

Title: _____

9214

EXHIBIT

FEB 19 1987 NO. 1

STATE BUDGET & CONTROL BOARD

SEE PAGES 116-122 FOR INCREASE



009148

EXHIBIT

FEB 19 1987

NO. 2

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

BLUE AGENDA
ITEM NUMBER

2

AGENCY: State Treasurer's Office

SUBJECT: Low Level Radioactive Waste Surcharge Collections

The State Treasurer's Office reports that surcharge collections pursuant to Part II, Section 15 of Act 540 of 1986 as of January 31, 1987, are as follows:

	<u>January 1987</u>	<u>1986-87 Through January</u>
Received.....	\$371,539.00	\$2,729,346.00
Disbursed to:		
U.S. Department of Energy	92,884.75	682,348.00
Barnwell County	27,865.42	204,700.88
General Fund	250,788.83	1,842,297.12
TOTAL.....	<u>\$371,539.00</u>	<u>\$2,729,346.00</u>

Additional detail is shown in the attachment.

BOARD ACTION REQUESTED:

Receive as information State Treasurer's Office report that low level radioactive waste surcharge payments of \$371,539 were received in January and that a total of \$2,729,346 of such payments have been received in 1986-87 through January of which \$1,842,297.12 was disbursed to the General Fund, \$682,348 was disbursed to the U. S. Department of Energy, and \$204,700 was disbursed to Barnwell County.

ATTACHMENTS:

Patterson February 6, 1987, letter to Coles plus attachment.

009149

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
TREASURER



COLUMBIA
29211

February 6, 1987

P. O. DRAWER 11778

RECEIVED
FEB 6 1987
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987 NO. 2

STATE BUDGET & CONTROL BOARD

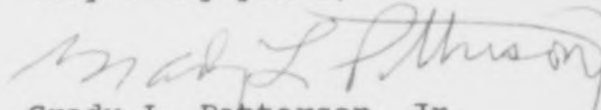
Honorable Jesse A. Coles, Jr.,
Executive Director
Budget and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Dr. Coles:

I am enclosing for your information a report on the receipt and disbursement of funds received pursuant to the provisions of Section 15 of Part II of Act 540 of 1986 (Low Level Radioactive Waste Surcharge) as of January 31, 1987.

With kindest regards, I am

Very truly yours,


Grady L. Patterson, Jr.
State Treasurer

GLPJr:cbd

Enclosure

CC: Honorable William A. McInnis
Deputy Executive Director

009150

EXHIBIT

FEB 19 1987 NO. 2

STATE BUDGET & CONTROL BOARD

LOW LEVEL RADIOACTIVE WASTE SURCHARGE AND PENALTY SURCHARGE FOR THE MONTH OF JANUARY 1987

	<u>Penalty Surcharge</u>	<u>Surcharge</u>	<u>Total</u>
Received	\$ - 0 -	\$ 371,539.00	\$ 371,539.00
Disbursed February 6, 1987:			
U. S. Dept. of Energy	- 0 -	92,884.75	92,884.75
Barnwell County	- 0 -	27,865.42	27,865.42
General Fund	- 0 -	250,788.83	250,788.83
Total Disbursed	<u>\$ - 0 -</u>	<u>\$ 371,539.00</u>	<u>\$ 371,539.00</u>
Balance	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

LOW LEVEL RADIOACTIVE WASTE SURCHARGE AND PENALTY SURCHARGE FOR THE FISCAL YEAR 1986-87

Received	\$ 1,700.00	\$2,729,346.00	\$2,729,346.00
Disbursed:			
U. S. Dept. of Energy	- 0 -	682,348.00	682,348.00
Barnwell County	170.00	204,700.88	204,700.88
General Fund	1,530.00	1,842,297.12	1,842,297.12
Total Disbursed	<u>\$ 1,700.00</u>	<u>\$2,729,346.00</u>	<u>\$2,729,346.00</u>
Balance	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Disbursement Formula:

Penalty Surcharge - 10% to Barnwell County; 90% to General Fund
 Surcharge - 25% to the U. S. Department of Energy; 10% of balance
 to Barnwell County; 90% of balance to General Fund

009151

EXHIBIT

FEB 19 1987

NO. 3

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF FEBRUARY 19, 1987 ITEM NUMBER

3

AGENCY: Fire Commission and General Services

SUBJECT: Drafting Period Notices

The following drafting period notices are presented for the Board's information. Drafting period notices are required by Code Section 1-23-110.

(a) The Fire Commission is drafting permanent State Fire Marshal regulations on the implementation of the Explosives Control Act of 1986 (Act 480 of 1986). The Board is reminded that emergency regulations on this subject are now in effect following the Board's determination on December 16, 1986, that an imminent peril to the public safety required their immediate promulgation.

(b) The Division of General Services proposes to revise Regulation 19-450 which pertains to permits for construction in State navigable waters. The Division indicates a need to clarify the regulations generally, with special focus on timing provisions and the terms of public notices.

(c) The Division of General Services proposes to replace the part of Regulation 19-445.2150 relating to the management of State surplus supplies and property with new regulations.

BOARD ACTION REQUESTED:

Receive as information reports that regulations drafting period notices are to be published in the State Register on the Explosives Control Act (State Fire Marshal); on revisions to Regulation 19-450 on permits for construction in State navigable waters (General Services); and on regulations to replace those in 19-445.2150 on the management of State surplus supplies and property.

ATTACHMENTS:

Lee February 10 letter to McInnis plus attachments; Kelly February 11 letter to McInnis plus attachments; agenda item worksheet on surplus property regulations plus attachment.

009152

EXHIBIT

FEB 19 1987


NO. 3

STATE BUDGET & CONTROL BOARD

§ 1-23-110. Procedures for publication of notice of proposed promulgation of regulations; public participation; contest of regulation for procedural defects.

(a) This section applies only to the promulgation of regulations as defined in item (4) of § 1-23-10 and is subject to the additional requirements of § 1-23-120.

(b) Prior to the promulgation, amendment, or repeal of any regulations, an agency shall:

- 
- (1) Give notice of a drafting period by publication of a notice in the State Register. The notice shall include the time when, the place where, and the manner in which interested persons may present their views during the initial drafting procedures before the regulations are submitted as proposed.
 - (2) Give at least thirty days' notice of intended action by publication of a notice in the State Register. The notice shall include either the text or a synopsis of the proposed regulation, the statutory authority for its promulgation, and the time when, the place where, and the manner in which interested persons may present their views on it. The notice must be mailed to all persons who have made timely requests of the agency for advance notice of proposed promulgation of regulations.
 - (3) Afford all interested persons reasonable opportunity to submit data, views, or arguments, orally or in writing. Opportunity for oral hearing must be granted if requested by twenty-five persons, by a governmental subdivision or agency, or by an association having not less than twenty-five members. The agency shall fully consider all written and oral submissions respecting the proposed regulation.

(c) A proceeding to contest any regulation on the ground of noncompliance with the procedural requirements of this section must be commenced within one year from the effective date of the regulation.

FEB 1 1 1987

State of South Carolina

STATE FIRE COMMISSION



EXHIBIT

800 Dutch Square Blvd., Suite 201
Columbia, S.C. 29210

Telephone: (803) 737-8300

FEB 19 1987 NO. 3

STATE BUDGET & CONTROL BOARD

Lewis B. Lee, Chairman
Fourth Congressional District
Newberry

February 10, 1987

John R. Buckner
First Congressional District
Hardeeville

Wilmot E. Guthke
First Congressional District
Charleston

Robert Ellison
Second Congressional District
Blythewood

James Bartley
Second Congressional District
Columbia

Alex Gundry
Third Congressional District
Starr

Grady Hill
Third Congressional District
Greenwood

Andy Littlejohn
Fourth Congressional District
Union

Thomas Forrester
Fourth Congressional District
Greenville

B. Eddie Rivers
Fifth Congressional District
Pageland

Robert M. Baker
Fifth Congressional District
Sumter

S.K. Brockington, Jr.
Sixth Congressional District
Lake City

Carter Jones
Sixth Congressional District
Manning

Brunson L. Cromer
Member at-large
Aiken

Carl B. Dickert
Member at-large
Piedmont

Robert M. Lee
Member at-large
Johns Island

Priscilla Mayes
Member at-large
Columbia

Michael G. Padgett
Member at-large
Spartanburg

H. Harold Tarleton, Jr.
Member at-large
Greenville

Mr. William McInnis
Deputy Executive Director
Budget and Control Board
Wade Hampton Building
Columbia, SC 29201

Dear Mr. McInnis:

Please be advised that the State Fire Commission is entering the drafting stage of State Fire Marshal's regulations to enforce the Explosives Control Act. Plans are to publish this notice of intent in the State Register. Input will be sought from interested parties through appearance at a hearing to be held on March 18, 1987, beginning at 10:00 a.m. at 201 Dutch Plaza, 800 Dutch Square Boulevard, Columbia. Written comments can be mailed to the State Fire Commission, 800 Dutch Square Boulevard, Suite 201, Columbia, SC 29210, attention: Mr. Robert E. Ellison, Sr.

We will appreciate your assistance in getting the proper approvals for the process and submitting the notice to the February State Register.

If you need additional information, please give me a call at 275-4344 (Newberry).

Sincerely,

Lewis B. Lee, Chairman

LBL/pz

cc: Dr. Andy Laurent
Mr. Robert E. Ellison, Sr.
Mr. Richard S. Campbell

(a)

009154

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

For meeting scheduled for:

February 19, 1987

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: State Fire Commission

(b) Authorized Official Signature: Lewis B. Lee, Chairman

2. Subject: Intent to draft, Explosives Regulation

3. Summary Background Information:

A new law passed in the 1986 legislative session became effective on January 1, 1987. The State Fire Commission is charged with promulgation of regulations to set standards for the enforcement and management of the Act.

EXHIBIT

FEB 19 1987 NO. 3

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve for submittal to the February State Register.

5. What is recommendation of the Board Division involved?

Approval

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

Letter from Lewis B. Lee
Chairman of the State Fire Commission

009155

EXHIBIT

FEB 19 1987

NO. 3

STATE BUDGET & CONTROL BOARD

§ 23-8-30. Powers and duties of commission.

The commission shall have the following powers and duties:

(A) To adopt a seal bearing the words "STATE FIRE COMMISSION".

(B) To recommend to the Budget and Control Board a list of qualified candidates for the position of State Fire Marshal from which the State Fire Marshal shall be hired. The Budget and Control Board may reject all candidates on the list and require the submission of more candidates.

(C) To provide coordination and advice in the matters of fire service training and education to all other agencies and organizations with fire and life safety responsibilities.

(D) To provide, in conjunction with the Budget and Control Board, direction in the development of long-range and short-range statewide plans for fire prevention and control.

(E) To identify research and development requirements for statewide fire service education and training and serve as the focal point in the State for developing programs to satisfy those requirements.

(F) To establish, in conjunction with the Budget and Control Board, a system for the reporting of fire data for analysis and feedback to appropriate agencies and organizations with fire and life safety responsibilities.

(G) To promulgate, as the single source of authority in this State, pursuant to provisions of §§ 1-23-10 et seq., fire prevention and protection regulations based upon nationally recognized standards for the protection of life and property of the residents of the State from fire. The State Fire Commission may not promulgate a building code as part of the regulations. No provision of the regulations shall apply to the extent that it is in conflict with any statute of this State or any provision of any nationally recognized building or fire prevention code duly adopted by ordinance of a municipality. In the event of such a conflict, the statute or other

204

provision shall apply in all respects. The regulations promulgated by the State Fire Commission must first be approved by the Budget and Control Board prior to being submitted to the General Assembly.

(H) To engage in such other activities as may be necessary to disseminate information concerning, and ensure compliance with, commission regulations.

(I) To promulgate regulations in accordance with the provisions of § 23-35-140 of the 1976 Code. No provision of the regulations shall apply to the extent that it is in conflict with any statute of this State. In the event of such conflict, the statute shall apply in all respects. The regulations promulgated by the State Fire Commission must first be approved by the Budget and Control Board prior to being submitted to the General Assembly.

The Fire Commission may not promulgate regulations concerning the sale and storage of pyrotechnics which must be promulgated by the State Board of Pyrotechnic Safety.

The Fire Commission shall not promulgate regulations concerning the Uniform Standard for Manufactured Housing as set forth in Chapter 17 of Title 31 of the 1976 Code or regulations pertaining to the forest fire control authority of the State Forestry Commission as set forth in Chapters 23 and 33 of Title 48 of the 1976 Code or regulations of the South Carolina Building Code Council as prescribed in Chapter 43 of Title 23.

(J) To submit to the Budget and Control Board for its approval minimum education and work experience requirements for the position of Deputy Fire Marshal.

(K) To engage in such other activities related to fire prevention and control as the commission deems necessary.

HISTORY: 1979 Act No. 190 § 3, eff July 1, 1979; 1986 Act No. 347, §§ 1, 2, eff March 4, 1986.

Editor's Note—

Section 11 of 1979 Act No. 190 provides as follows:
"Budget and Control Board Regulations R 19-20 through R 19-73, issued by the State Fire Marshal and on file with the Secretary of State shall remain in force until they are superseded by further regulations as may be promulgated in accordance with items (G) and (I) of Section 3 of this act [§ 23-8-30] and are duly adopted by the General Assembly and filed with the Secretary of State."

Effect of Amendment—

The 1986 amendment, in item (G), added ", as the single source of authority in this State", deleted "minimum" before "fire prevention and protection regulations", and made grammatical changes, and, in item (I), added the paragraph prohibiting the Fire Commission from promulgating regulations concerning manufactured housing, etc., and made grammatical changes.

Cross references—

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

As to duty of State Fire Marshal to enforce regulations promulgated under authority of this section, see § 23-9-60.

As to State Board of Pyrotechnic Safety, see §§ 40-56-10 and 40-56-20.

FEB 13 1987

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-2140

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD W. KELLY
DIVISION DIRECTOR

February 11, 1987

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

EXHIBIT

FEB 19 1987 NO. 3

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
Budget and Control Board
6th Floor Wade Hampton Office Building
Columbia, South Carolina 29201

RE: Amendment of Regulations for Permits for
Construction on Navigable Waterways

Dear Bill:

Enclosed for your review is a proposed notice of drafting period prepared by the Water Resources Commission in connection with the captioned matter.

General Services has been working closely with Water Resources to determine how the regulations might be revised. We are concerned, particularly, with clarifying some of the timing provisions, the terms of public notices and curing some of the vagueness in various sections of the regulations. Our ultimate goal is to make the regulations both clear and practical so that we can avoid any attack on the permitting process based on procedural defects.

I call your attention to the date for comments at the end of the notice. While that date was appropriate when Water Resources first prepared the notice, I believe it will have to be changed in order to comply with Section 1-23-110(b)(2) of the Code. Also, please consider whether you would prefer to have comments addressed to your office (since these are Board regulations) rather than to General Services as the enclosed notice provides.

I look forward to your advice and comments.

Sincerely,

Rich (b)

Richard W. Kelly
Division Director

(b)

009157

§ 49-1-10. Navigable streams shall be common highways; obstruction as nuisance.

All streams which have been rendered or can be rendered capable of being navigated by rafts of lumber or timber by the removal of accidental obstructions and all navigable watercourses and cuts are hereby declared navigable streams and such streams shall be common highways and forever free, as well to the inhabitants of this State as to citizens of the United States, without any tax or impost therefor, unless such tax or impost be expressly provided for by the General Assembly. If any person shall obstruct any such stream, otherwise than as in Chapters 1 to 9 of this Title provided, such person shall be guilty of a nuisance and such obstruction may be abated as other public nuisances are by law.

HISTORY: 1962 Code § 70-1; 1952 Code § 70-1; 1942 Code § 5807; 1932 Code § 5807; Civ. C. '22 § 2901; Civ. C. '12 § 1928; Civ. C. '02 § 1335; G. S. 1062; R. S. 1159; G. S. 1104; 1853 (12) 305; SC Const, Art 14 § 1.

Cross references—

As to tax or toll for use of wharf in or over the waters of any navigable stream, see SC Const, Art 14, § 4.

As to constitutional provisions regarding navigable waters, see SC Const, Art 14, § 4.

As to development of waterways by State Development Board, see § 13-3-100.

As to dams and drainage generally, see §§ 49-11-10, 49-11-20, 49-13-10 to 49-14-80, 49-15-10 et seq.

As to fish, game and wildlife generally, see Title 50.

As to water, sewage and garbage generally, see §§ 44-55-10 to 44-55-60 and 44-55-210 to 44-55-300.

As to jurisdiction of State and United States generally, see §§ 1-1-10 et seq.

As to parks and playgrounds generally, see Title 51.

As to ports and maritime matters generally, see Title 54.

As to regulation of pilots, see §§ 54-15-10 to 54-15-340.

As to steamboat and canal companies, see §§ 58-15-230 to 58-15-270, 58-15-410 to 58-15-450, 58-15-610.

As to liability of railroad to landowners for damages for obstruction of watercourses, see § 58-17-3910.

As to soil conservation generally, see Title 48.

Research and Practice References—

78 Am Jur 2d, Waters §§ 76-78, 87-89, 96, 101.

The Riparian Rights Doctrine in South Carolina. 21 SC L Rev 757.

Pollution of the Marine Environment From Outer Continental Shelf Oil Operations. 22 SC L Rev 228.

The Law Pertaining to Estuarine Lands in South Carolina. 23 SC L Rev 7.

Navigability—Its Meaning and Application in South Carolina. 23 SC L Rev 28.

Limitation on Diversion From the Watershed: Riparian Roadblock to Beneficial Use. 23 SC L Rev 43.

Edens: The Prime Obstacle to a Redevelopment of South Carolina Water Law. 23 SC L Rev 63.

The Rights of the Public Versus the Rights of Riparian Owners to the Use of the Shore Between the Water's Edge and the High Water Mark on Lake Murray. 23 SC L Rev 71.

Surface Water in South Carolina. 23 SC L Rev 82.

Navigable Waters. 25 SC L Rev 459.

CASE NOTES

Object of section.—The object of this section [Code 1962 § 70-1] is plainly to make navigable streamways open to public use, with no suggestion of their repair. *Speights v Colleton County*, 100 SC 304, 84 SE 873 (1915).

Definition of navigable waters.—Nav-

igable streams are defined in *Heyward v Farmers' Min. Co.*, 42 SC 138, 19 SE 963, 20 SE 64 (1894); *State v Pacific Guano Co.*, 22 SC 50 (1884).

Is not changed by section.—This section [Code 1962 § 70-1] does not change the definition of navigable waters. It only emphasizes the law already

EXHIBIT

STATE BUDGET AND CONTROL BOARD

FEB 19 1987

NO. 3

NOTICE OF DRAFTING PERIOD

STATE BUDGET & CONTROL BOARD

Notice is hereby given that pursuant to Article 14, Section 4 of the South Carolina Constitution and Section 49-1-10 of the Code of Laws of South Carolina (1976) the State Budget and Control Board proposes to amend Regulation 19-450, pertaining to permits for construction in State navigable waters. Sections of this regulation the Board is proposing to amend include, but are not limited to, 450.3.G. (4), 450.5.B. (6), 450.5.C. and 450.14.

Any person interested in the amendment of this regulation may submit written comments and recommendations for changes to the Board. Written comments should be directed to Richard W. Kelly, Director; Division of General Services; State Budget and Control Board; 300 Gervais Street; Columbia, South Carolina, 29201. To be considered, comments must be received by February 23 1987.

William A. McInnis

Deputy Executive Director

Budget and Control Board

009159

FEB 13 1987

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

For meeting scheduled for:

February 19, 1987

Blue Agenda

XX Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services(b) Authorized Official Signature: Richard W. Kelly, Director2. Subject: Notice of Drafting Period for Surplus Property Regulations.

3. Summary Background Information:

In a State Supply Management Study submitted to the General Assembly pursuant to Section 11-35-3610 of the Code, the Division of General Services' Audit and Certification Section and the Materials Management Office recommended changes to the current surplus property regulations to establish operational procedures for an expanded state-wide surplus property program. Such a program would enable the State to gain longer useful life of its assets.

Regulations need to be promulgated to provide for this expanded surplus property program so the State can take full advantage of a new 25,000 sq. ft. warehouse facility that is scheduled to be opened in July of this year. The first step in the promulgation process of these regulations will be to publish a Notice of Drafting Period in The State Register.

4. What is Board asked to do?

Approve the publishing of a Notice of Drafting Period for surplus property regulations providing an expanded state-wide surplus property program in The State Register.

5. What is recommendation of the Board Division involved?

Approve the Notice of Drafting Period.

EXHIBIT

FEB 19 1987

NO. 3

6. Recommendation of other office (as required)? STATE BUDGET & CONTROL BOARD

(a) Office Name _____

Authorized

(b) Signature _____

7. Supporting Documents:

List Those AttachedList Those Not Attached But Available
From Submitter

- 1) Copy of Notice of Drafting Period
- 2) Surplus Property Warehouse, Delivery, Inventory Plan Prepared for the General Assembly of the State of South Carolina, May, 1984.

009160

(c)

EXHIBIT

State Budget and Control Board FEB 19 1987 NO. 3

STATE BUDGET & CONTROL BOARD

NOTICE OF DRAFTING PERIOD

Notice is hereby given that the South Carolina Budget and Control Board, under authority granted by §11-35-3810, Code of Laws of South Carolina, 1976 (1986 Cum. Supp.), plans to promulgate new regulations relating to the management of State surplus supplies and property. The regulations will provide for an expanded Surplus Property Management Program designed to provide centralized and prioritized access to the State's surplus property to State governmental bodies, political subdivisions and nonprofit health and education institutions.

Written suggestions or comments regarding this amendment should be sent to Mr. Richard J. Campbell, Assistant Director, Materials Management Office, 800 Dutch Square Boulevard, Suite 250, Columbia, South Carolina 29210, no later than March 12, 1987.

William A. McInnis

Deputy Executive Director

State Budget and Control Board

009161

*to replace
those in
R 19-445.2150*

EXHIBIT

FEB 19 1987

NO. 3

STATE BUDGET & CONTROL BOARD

§ 11-35-3610. Development of warehouse, delivery and inventory plan.

By January 1, 1983, the Division of General Services shall make written recommendations to the General Assembly concerning a plan for the effective and cost efficient operation and management of the state warehouses, delivery and inventory system.

HISTORY: 1981 Act No. 148, § 1.

Research and Practice References—

64 Am Jur 2d, Public Works and Contracts § 10.

SUBARTICLE 3

REGULATIONS FOR SALE, LEASE, TRANSFER AND DISPOSAL

SEC.

- 11-35-3810. Regulations for sale, lease, transfer and disposal.
- 11-35-3820. Allocation of proceeds for sale or disposal of surplus supplies.
- 11-35-3830. Trade-in sales.
- 11-35-3840. Division of General Services authorized to license for public sale certain publications and materials; disposition of proceeds.

§ 11-35-3810. Regulations for sale, lease, transfer and disposal.

Subject to existing provisions of law, the board shall promulgate regulations governing:

- (1) the sale, lease, or disposal of surplus supplies by public auction, competitive sealed bidding or other appropriate methods designated by such regulations;
- (2) the transfer of excess supplies between agencies and departments.

HISTORY: 1981 Act No. 148, § 1.

SURPLUS PROPERTY WAREHOUSE,
DELIVERY, INVENTORY PLAN
PREPARED FOR THE GENERAL ASSEMBLY
OF THE STATE OF SOUTH CAROLINA



May, 1984

009163

PROPOSED STATE SURPLUS PROPERTY PROGRAM

TABLE OF CONTENTS

- I. Introduction
- II. Present Methodology
 - A. Federal Surplus Property Program
 - B. State Surplus Property Program
- III. Proposals for the State Surplus Property Program
 - A. Pickup and Delivery
 - B. Construction of Adequate Warehousing Space
 - C. Priority to Political Entities
 - D. Satellite Facilities
 - E. Pricing Structure
 - F. Restrictions on Use of Surplus Property by Recipients
 - G. Revenue to Cover Cost of Operations
- IV. Proposed Recommendations to the Legislature
 - A. Removal of Agency Exemptions and Implementation of the Plan
 - B. Use of Proceeds from the Sale of State Surplus Property
- V. Exhibit
 - A. Surplus Property Inquiry and Report

009164

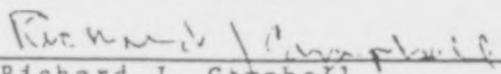
I. INTRODUCTION

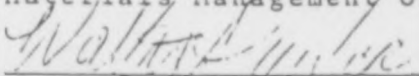
The observations, conclusions and proposals enumerated in this report were the result of the State Supply Management Study performed by the Division of General Services Audit and Certification Section and the State Supply Management Section, Materials Management Office. It is, therefore, subject to the same conditions and qualifications as stated in the introduction of the State Supply Management Study.

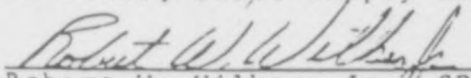
In order to facilitate internal review and timely report to the General Assembly, it was decided that this report would better represent the condition of the program when stated independently of the overall state supply management study.

The Materials Management Officer, the Director of State Supply Management, the Director of Audit and Certification and staff of the Division of General Services appreciate the cooperation and assistance of all the state agencies contributing to this study.

We respectfully submit this plan and recommendations to the General Assembly for their consideration.


Richard J. Campbell
Materials Management Officer


Walter A. Taylor
Director, State Supply Management


Robert W. Wilkes, Jr. CPA
Director, Audit and Certification

009165

II. PRESENT METHODOLOGY

The State Surplus Property facility on Boston Avenue, West Columbia, occupies two buildings totaling 45,477 square feet and occupies a 14.0 acre fenced-in tract of land. Additionally, it owns an undeveloped 2.07 acre tract immediately adjacent to the above.

The surplus property office is responsible for two separate and distinct programs: (A) the Federal Surplus Property Program and (B) the State Surplus Property Program.

A. FEDERAL SURPLUS PROPERTY PROGRAM -

Federal surplus property is transferred by the Federal Government to the South Carolina Agency for Surplus Property. South Carolina has entered into an agreement, referred to as the South Carolina State Plan, with the Federal Government to administer the program for the donation of Federal surplus personal property.

South Carolina distributes the Federal surplus property through donation to eligible donees (public agencies and certain nonprofit organizations) and is responsible for assuring donee compliance with donation provisions and proper utilization of property. In addition, Surplus

009166

Property is responsible for determining donee eligibility, and for assuring property accountability while in storage. Surplus Property recovers its operating costs by charging an established fee to participating donees.

Presently, South Carolina Federal Surplus Property has 800 eligible donees, carries approximately 2,000 line items and conducts an estimated 3,000 transactions annually.

In 82/83 Federal surplus property was issued at original acquisition cost in the amount of \$6,272,050. Service charges to donees for the property was \$427,288. This resulted in potential gross savings to state, county, city and other eligible participants of \$5,884,762. Estimated cost to rehabilitate the property is 20% of the original cost. The net savings to state, county, city and other eligible participants is at least \$4,590,352.

This program occupies 40,237 square feet of warehouse space and approximately 5 acres of adjoining yard space.

009167

B. STATE SURPLUS PROPERTY PROGRAM -

Due to the lack of space, the disposal of state surplus property has been at best a brokerage arrangement between the Division of General Services and the owning agencies. The basic function of the Surplus Property Office has been a selling function, not a storage function. This being the case, property is delivered by the owning agencies to the Surplus Property site a few weeks prior to a public auction or sealed bid sale and promptly sold to the highest bidder and removed from the site. As a result, elaborate storage facilities or inventory control systems have not been established.

Presently, the state surplus program has available only 3,000 square feet of warehouse space and approximately 1½ acres of yard space.

The state surplus property program is operated by two staff members, the State Surplus Manager and an Administrative Specialist. The auctioneer services are contracted out to a private firm.

The Materials Management Office mailed a questionnaire (EXHIBIT A) to all agencies asking that they report their surplus as of September 30, 1983. We believe this to represent basically a three month accumulation. The following is a result of our tabulation:

009168

106 of 119 Agencies Reporting

	<u>ACQUISITION COST</u>
Surplus Property for Sale or Transfer	\$1,119,535
Surplus Property Held for Future Use	498,454
Obsolete or Unserviceable Property	<u>201,419</u>
Total	<u>\$1,819,408</u>

Of the agencies reporting, it should be noted that the College of Charleston, Francis Marion College, the Department of Highways and Public Transportation, Medical University of South Carolina and Department of Mental Retardation reported a material number of items without an acquisition cost. As a result, the acquisition cost of surplus property is conceivably much greater than shown in the above tabulation.

Conclusions

The burden of storing state surplus property, as well as delivering the property to the Surplus Property site for disposal, is at the agency level. This, of course, uses valuable warehouse space and creates a duplication of handling and administrative costs.

Additionally, this system provides little opportunity to keep the property in public use. Much of the equipment that is excess to the State's needs is greatly desired by cities, counties, school districts, and other political entities.

009169

This property ideally should be made available to these entities prior to offering at public sale.

We can project with reasonable certainty that, at a minimum, the State generates 6 to 10 million dollars of surplus equipment per year based on the original acquisition cost.

We believe with this generation of surplus property the state program could be developed that would realize cost avoidance comparable to that of the federal program (\$4.6 million).

Additionally, we conclude that a timely pickup of surplus property from the agencies would remove much of the staffing requirements, handling and administrative accountability costs at that level.

A small portion of these resources could be reallocated to the State Surplus Property Office to meet the additional staffing requirements and associated costs. We estimate these to be as follows:

1 Property Clerk	\$ 9,808
1 Inventory Control Specialist	11,473
1 Supply and Service Manager	13,422
	<u>\$34,703</u>
Fringes (22%)	763
	<u><u>\$35,466</u></u>

009170

During 82/83, proceeds from the sale of state surplus totaled \$1,240,124. This does not include the South Carolina Department of Highways and Public Transportation proceeds which are estimated to be an additional \$700,000.

We estimate that at least 90% of the proceeds of the sale of surplus by the Materials Management Office was returned to the agencies to purchase like equipment and 100% of the sale of surplus by the Department of Highways and Public Transportation was used for this purpose.

This was permitted by the Consolidated Procurement Code and the Appropriations Act.

Translated into dollars, this means 1.816 million dollars of surplus proceeds was used for the purchase of equipment that, due to the budgetary process, could avoid the close scrutiny of the General Assembly. This is because the source of funding for these acquisitions appears in the Appropriations Act as "other".

We believe consideration should be given to returning all proceeds from the sale of state-owned property to the General Fund, thereby requiring agencies to budget for new equipment as an expenditure of state appropriations. This, we believe, would more adequately disclose to the Legislature the activity in this capital equipment investment by the agencies.

009171

III. PROPOSALS FOR THE STATE SURPLUS PROPERTY PROGRAM

A. PICKUP AND DELIVERY

The General Assembly direct the Division of General Services to implement a plan for the timely pickup of state surplus property from state agency locations to avoid agencies having to store such excess in their facilities. This should be merged into the proposed state delivery systems as it would be a "haul back" factor thereby reducing empty miles.

B. CONSTRUCTION OF ADEQUATE WAREHOUSING SPACE

The General Assembly authorize the Division of General Services to develop the available acreage adjacent to the Federal Surplus Warehouse into a state surplus property storage facility.

Estimated Facility Costs are:

Land - State Owned	-0-
30,000 sq. foot dry storage, \$30 sq.ft.	200,000 \$90,000
Asphalt parking space to accommodate	
100 vehicles	5,000
Grading to accommodate heavy equipment	<u>1,000</u>
Net Cost of Project	<u><u>\$96,000</u></u> 906,000

C. PRIORITY TO POLITICAL ENTITIES

The General Assembly authorize the Division of General Services to develop a plan of operation for disposal giving priority as follows:

1. State Agencies
2. Political Subdivisions and Eligible Eleemosynary Groups
3. Public Sales (Auction or Sealed Bid)

D. SATELLITE FACILITIES

The following agencies maintain surplus storage facilities under the authority of State Surplus Property due to the quantity of surplus generated or the excessive costs to relocate it to the state surplus facility:

1. Department of Highways & Public Transportation
2. Department of Wildlife & Marine Resources
3. Forestry Commission
4. Clemson University

E. PRICING STRUCTURE

The General Assembly direct the Division of General Services to develop a pricing mechanism for political subdivisions giving due consideration to the State's expectations as to proceeds received and the goal to

keep excess property in public service as long as it has useful life.

F. RESTRICTIONS ON USE OF SURPLUS PROPERTY
BY RECIPIENTS

The General Assembly direct the Division of General Services to develop restrictions on political subdivisions for the use of property procured through state surplus.

G. REVENUE TO COVER COST OF OPERATIONS

The General Assembly authorize the Division of General Services to develop the necessary service charge structure to offset the cost of operations in a manner which is of cost benefit to the system users.

IV. PROPOSED RECOMMENDATIONS TO THE LEGISLATURE

A. REMOVAL OF AGENCY EXEMPTIONS AND
IMPLEMENTATION OF THE PLAN

The General Assembly clarify the South Carolina Consolidated Procurement Code to identify that exemptions from the procurement requirements enumerated therein do not include exemptions from disposition.

009174

The General Assembly authorize the Division of General Services to implement a plan for the pickup, storage, and disposition of state surplus property. Priority is to be given in disposition to political subdivisions before submission to public sale.

Section 121 of the 83/84 Appropriations Act reads in part:

Provided, Further, That the Department of Highways and Public Transportation may sell any materials, supplies, or equipment classified as obsolete, surplus, or junk for which the Department has no further need, or offer same for trade-in in the purchase of new materials or equipment. All such sales of obsolete, surplus or junk materials or equipment by the Department shall be at public auction, unless the Department deems another sales method is more advantageous, with the approval of General Services, not less than ten days after having been advertised in a newspaper of statewide circulation at least once. The Department may reserve the right to reject any or all bids. Items having a value of less than one hundred dollars may be disposed of by sale in the most advantageous way to the Department, and the Department may make negotiated sales of surplus materials, equipment and supplies to county, State, and municipal agencies on a mutually agreed upon basis. All

009175

proceeds from the sale of such obsolete, surplus or junk material, supplies, and equipment shall be credited to the Highway and Public Transportation Fund.

Since the enactment of the S. C. Consolidated Procurement Code, July 1981, a central statewide authority is presently in place performing the functions enumerated in the above proviso.

Due to the duplication of effort and in order to ensure statewide internal control in the disposition process as the Code intends, we suggest that the General Assembly consider removing this provision from the 84/85 Appropriations Act. Such removal we feel would enhance the effectiveness and cost avoidance addressed in this proposed State Surplus Property Program.

009176

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
800 DUTCH SQUARE BLVD. SUITE 150
COLUMBIA, S.C. 29210
(803) 758-6060

EXHIBIT A-1

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

PAUL J. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

ROBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM C. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Agency Directors

FROM: Richard J. Campbell
Materials Management Officer

SUBJECT: State Surplus Property Reporting Requirement

DATE: August 15, 1983

In accordance with Budget and Control Board regulation
19-445.2150:

"All governmental bodies must identify surplus items, declare them as such, and report them to the Materials Management Officer or his designee within 90 days from the date they become surplus."

The Materials Management Office defines surplus as that property which is excess to the needs of your agency, i.e., you are unable to place it into public use to assist in meeting the agency's goal.

This property falls into the following categories:

- (1) Property which has become more costly to make it serviceable than to sell it and purchase new like equipment.
- (2) Unserviceable property that the agency feels is junk but would have a market value at a Surplus Property auction.
- (3) Property which the Materials Management Officer approves as "junk", i.e., having little or no market value.

MATERIALS MANAGEMENT OFFICE

State Supply & Surplus Property Management
Surplus Property Supply, Warehousing & IMN
Benton Avenue 1942 Laurel Street
W. Columbia, S.C. 29168 Columbia, S.C. 29201

Training & Research
300 German Street
Annex 3
Columbia, S.C. 29201

State Procurement
800 Dutch Sq. Blvd.
Suite 150
Columbia, S.C. 29210

Information Technology Management Office
800 Dutch Sq. Blvd.
Suite 150
Columbia, S.C. 29210

Installation Purchase Program
800 Dutch Sq. Blvd.
Suite 150
Columbia, S.C. 29210

009177

- (4) Property that is excess to the agency's needs but is being held for "future use."

I am requesting that you declare this property to the Director of State Supply Management as of September 30, 1983, in the following categories:

- (1) Excess property held for sale
- (2) Property that you consider "junk"
- (3) Property held for "future use"

This information will be mutually beneficial in that State Surplus Property can identify potential sale items, establish possible groupings, identify transportation requirements for item accumulation and schedule systematic sales.

We appreciate your cooperation in this joint venture and will provide assistance upon request. Please forward this information to Walter Taylor, Director of State Supply Management, Boston Avenue, West Columbia, South Carolina 29169. Mr. Taylor can be reached by phone at 758-3641.

RC/ra

009178

AGENCY NAME/ADDRESS

Date _____

- A. Surplus Property for Sale or Transfer
- B. Surplus Property Held for Future Use
- C. Obsolete or Unserviceable Property
"Junk"

009179

[illegible]

*duplicate form as needed

EXHIBIT

FEB 19 1987 NO. 4

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF FEBRUARY 19, 1987 ITEM NUMBER

4

AGENCY: Budget Division

SUBJECT: Supplemental Appropriation Request (Mental Health)

The Budget Division advises that one agency (the Department of Mental Health), in accord with Code Section 11-11-130, filed what can be considered a request for a supplemental appropriation of \$1,700,000. The Division notes that agencies were not invited to seek supplemental appropriations this year in view of the potential revenue shortfall.

BOARD ACTION REQUESTED:

Receive as information a Department of Mental Health request for a \$1,700,000 supplemental appropriation.

ATTACHMENTS:

Agenda item worksheet; Bevilacqua January 30 letter to Holmes.

009180

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

87-59

Meeting Scheduled for: February 19, 1987

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barm Holmes IV

2. Subject:

The 1986-87 Request for Supplemental Appropriation

3. Summary Background Information:

In accordance with Section 11-11-130 of the 1976 Code, the State Budget Division herewith submits for your review the 1986-87 requests for supplemental appropriations. Code 11-11-130 requires that requests for supplemental appropriations be submitted on or before February 1 and that the Board's recommendations in response are to be submitted to the General Assembly not later than March 15. In view of the potential revenue shortfall, agencies were not invited to seek supplemental appropriations. One request which can be considered as being for supplemental appropriations was received: Department of Mental Health \$1,700,000.

EXHIBIT

4. What is Board asked to do?
Information Only

FEB 19 1987

NO. 4

STATE BUDGET & CONTROL BOARD

5. What is recommendation of Board Division involved?
Information Only

C. Barm Holmes

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

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

009181



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202
Information (803) 734-7783

Joseph J. Bevilacqua, Ph.D. / State Commissioner
(803) 734-7780

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

Ernest E. Harrill
Greenville

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

January 30, 1987

RECEIVED

FEB 4 1987

Budget & Control Board
STATE BUDGET DIVISION

EXHIBIT

FEB 19 1987

NO. 4

STATE BUDGET & CONTROL BOARD

A. Baron Holmes, IV, Ph.D.
Director, Budget Division
Budget and Control Board
Columbia, South Carolina

Dear Dr. *Baron* Holmes:

As you are aware the Department of Mental Health submitted a request to the Budget and Control Board dated December 2, 1986, for exemption from the mandated statewide 2.6% budget reduction for FY 86-87. The budget reduction for the Department of Mental Health totaled \$1.7 million (which equaled 1.3%).

It is my understanding that State law (11-11-130) requires that any State agency desiring to request supplemental appropriations submit such requests to the Budget and Control Board by February 1st. In view of this requirement, we would like to be on record as requesting a supplemental appropriation of \$1.7 million contingent upon the possibility of the Budget and Control Board denying our exemption request.

Early in the fiscal year, the Department of Mental Health recognized several potential funding problems due primarily to the program shifts from institutions to community services as well as addressing Justice Department concerns and has been working vigorously to resolve those issues. As a result, our institutions are currently coping with an internally mandated reduction amounting to \$2.5 million. Our most recent analysis indicates that if we are granted either our \$1.7 million exemption request or supplemental appropriation, the Department will possibly be able to end the year without a deficit.

009182

EXHIBIT

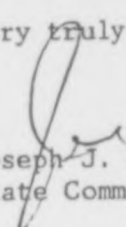
FEB 19 1987 NO. 4

Dr. Holmes
January 30, 1987
Page Two

STATE BUDGET & CONTROL BOARD

Thank you very much for your consideration.

Very truly yours,


Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

JJB:cmb

009183

EXHIBIT

FEB 19 1987 NO. 5

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF February 19, 1987 ITEM NUMBER

3

AGENCY: Old Exchange Building Commission

SUBJECT: Anticipated Deficit

Old Exchange Building Commission Chairman Coussons, in accord with the requirements of Section 135, Part I, of the 1986-87 Appropriations Act, advises that a budget deficit of approximately \$39,916 is expected in the current fiscal year.

Staff of the Auditor's Office are working with the agency to help define and handle the immediate problems posed.

BOARD ACTION REQUESTED:

In accord with Part I, Section 135, of the 1986-87 Appropriations Act, officially recognize the necessity for a deficit in the budget of the Old Exchange Building Commission in 1986-87.

ATTACHMENTS:

Vaughn February 12 letter to Coles; Coles February 11 letter to Vaughn;
Coussons February 5 letter to Coles

009184

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

February 12, 1987

RECEIVED

FEB 17 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987

NO. 5

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.
Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Dear Dr. Coles:

This is in response to your letter of February 11, 1987, regarding the deficit projected by the Old Exchange Building Commission in Charleston.

In November, 1986, a member of our staff along with a budget analyst from the Budget Division analyzed the current situation with respect to the financial situation of the Old Exchange Building Commission. At that time, they projected a year end deficit of approximately \$20,000. It appears that the situation has worsened since that time.

Two members of our staff will be on location at the Old Exchange Building on Tuesday, February 17, 1987. They will review the records of the Commission with the following objectives:

1. Update the November, 1986, projections of revenues and expenditures of the Commission to attempt to determine the present status of the projected deficit.
2. Determine what actions have been taken between the last review and the present time to minimize the projected deficit.
3. Determine what ongoing expenses can be eliminated between now and June 30, 1987, in order to reduce or eliminate the deficit.

CARROLL A. CAMPBELL, JR., 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

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE
JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

009185

EXHIBIT

FEB 19 1987

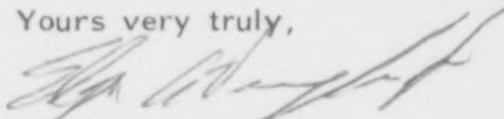
NO. 5

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.
February 12, 1987
Page 2

We will advise you as to the results of our review just as soon as possible.

Yours very truly,



Edgar A. Vaughn, Jr.
State Auditor

EAV/jp

cc: Mr. John Stanford Coussons, Chairman
Old Exchange Commission

Ms. Marie Pelzer, Executive Director
Old Exchange Commission
122 East Bay Street
Charleston, South Carolina 29401

Dr. A. Baron Holmes, IV, Director
Budget and Control Board - Budget Division

Ms. Tonya Wanket, CPA
Office of the State Auditor

009186

State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., 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
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

February 11, 1987

EXHIBIT

FEB 19 1987 NO. 5

STATE BUDGET & CONTROL BOARD

Mr. Edgar A. Vaughn, Jr.
State Auditor
1122 Lady Street, Suite 700
Columbia, South Carolina 29201

Dear Mr. Vaughn:

This is to confirm my telephone conversation with you on
Wednesday, February 11, 1987.

Enclosed is a copy of the letter from Mr. Coussons, Chairman of
the Old Exchange Commission, indicating a severe budget deficit situation
at the agency. It is my understanding that you have audit information for
the past several years along with an audit update done in the Fall of '86.
Accordingly, I am officially requesting an immediate audit update of the
Old Exchange Commission.

Your attention to this matter will be greatly appreciated.

Sincerely,

Jesse A. Coles, Jr., Ph.D.

JACj/nk

Enclosure

cc: Mr. John Stanford Coussons, Chairman
Old Exchange Commission

Ms. Marie Pelzer, Executive Director
Old Exchange Commission
122 East Bay Street
Charleston, South Carolina 29401

Dr. A. Baron Holmes, IV, Director
Budget Control Board - Budget Division

009187



THE OLD EXCHANGE
and Provost Dungeon

East Bay at Broad Streets
Charleston, South Carolina 29401
Telephone 803/792-5020

RECEIVED

FEB 1 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

5 February 1987

Jesse Coles, Ph.D.
Executive Director
Budget and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29201

EXHIBIT

FEB 19 1987

NO. 5

STATE BUDGET & CONTROL BOARD

Dear Dr. Coles:

As required by Section 135 of the Annual Appropriations Act, I have the unpleasant duty of informing you that the budget of the Old Exchange Building in Charleston is currently suffering from a deficit of approximately \$39,916. As of this date our obligations total \$40,416 and our cash balance is indicated at \$4,500.

This circumstance developed some years ago but escaped the detection of the Commission until 1986 when the newly appointed director of the agency brought it to our attention. It is evidently the result of an inadequate initial appropriation for the agency with the result that a deficit was carried forward from year to year. Our efforts to solve this dilemma have thus far been unavailing.

Be advised that the Commission is exploring the possibility of increasing revenue through increased rentals and visits to the building. Whatever suggestions you may have for us will be received with our careful attention.

Very truly yours,

John Stanford Coussons
Chairman
Old Exchange Commission

009188

"One of the three great public buildings of Colonial America."

Restored and administered by The Old Exchange Building Commission, an agency of the South Carolina state government.

EXHIBIT

FEB 19 1987

NO. 6

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

REGULAR SESSION
ITEM NUMBER

4

AGENCY: Budget Division

SUBJECT: Personal Service Funds Transfer Request (Mental Health)

The Budget Division advises that the Department of Mental Health is asking for approval of the transfer of \$4,515,193 (\$2,645,456 General Fund and \$1,869,737 Other) of personal service funds to Other Operating (Contractual Services) to cover increased payments for contracted nursing care.

Division staff recommend approval of the request and note that the proposed transfer is in accord with the agency's Quarterly Allocation Plan. The agency also gives assurance that approval of the request will not result in a reduction in force.

BOARD ACTION REQUESTED:

Approve Department of Mental Health request to transfer \$4,515,193 of personal service funds (\$2,645,456 General Fund and \$1,869,737 Other) to other operating expenses (contractual services).

ATTACHMENTS:

Agenda item worksheet plus Marsh January 2, 13, and 28 letters to Anderson.

009189

EXHIBIT

FEB 19 1987

NO. 6

STATE BUDGET & CONTROL BOARD

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

87-58

Meeting Scheduled for: February 19, 1987

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Baron Holmes Jr.

2. Subject:

The Department of Mental Health requests to transfer Personal Service Funds to Other Operating Expenses.

3. Summary Background Information:

The Department of Mental Health requests the transfer of \$4,515,193 of Personal Service funds to Other Operating Expenses. The total transfer request is made up as follows: \$2,645,456 of General Fund and \$1,869,737 of Other Funds.

For the past three fiscal years, the Department of Mental Health has had to request a Deficiency Appropriation from the General Assembly in order to maintain an array of services as mandated. These deficiencies were the result of a variety of issues including the realignment of programs directed at regaining lost Medicaid revenues (Crafts-Farrow State Hospital lost its full-hospital certification in FY 83), and in the process, placing the inpatients under the agency's care into the most appropriate level of care (most of the Crafts-Farrow population required Intermediate and Skilled Nursing Care). The latter has been accomplished primarily by the establishment of the Dowdy-Gardner Nursing Care Center, including a 220-bed nursing facility in Rock Hill, the expansion of the Tucker Center from 300 beds to 608 beds, and the establishment of a contractual arrangement for placement of 88 patients into a private nursing care center in Woodruff.

The opening of the Rock Hill program (the Department is contracting with a hospital management firm to run the program), as well as the nature of the Woodruff facility, requires that the agency increase the amount of funds under its contractual categories both at Dowdy-Gardner and at Crafts-Farrow State Hospital. In order to meet its immediate needs to make these contractual payments, it is necessary to request a transfer of funds from Personal Service to Contractual Services.

The Department's budget format, i.e. budgeting limitation by facilities rather than by programs, makes these type transfers necessary to allow managerial flexibility to deal with such a dynamic service delivery statement as shown above. This transfer is in accordance with their Quarterly Allocation Plan.

4. What is Board asked to do?

To approve the transfer of \$4,515,193 of Personal Service funding to Other Operating Expense.

5. What is recommendation of Board Division involved?

Recommend Approval

009190

Daniel L. Adams

EXHIBIT

FEB 19 1987

NO. 6

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

STATE BUDGET & CONTROL BOARD

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. DMH Letter Dated January 2, 1987
2. DMH Letter Dated January 13, 1987
3. DMH Letter Dated January 28, 1987
4. Transfer T-55
5. Transfer T-57 - T67

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

009191



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202

Information (803) 734-7783

Joseph J. Bevilacqua, Ph.D. / State Commissioner

(803) 734-7780

January 13, 1987

EXHIBIT

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

Ernest E. Harrill
Greenville

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

Mr. David Anderson
Budget Development
Wade Hampton Office Building
Room 408
Columbia, South Carolina

Dear David:

As I mentioned to you when you were out here last week, we are in the midst of some major reallocation of funding among our various programs. We have identified the changes to be made for all areas except Administration and the community programs. The enclosed transfer requests cover as much as we can of the revised budgets for all of our programs. We will need to process a transfer near the end of the fiscal year to utilize any funds which remain in the community programs and, hopefully obtain a reinstatement of at least some of the reduction of State funds which was imposed recently. There are numerous transfers which are going from a personal service category to an operating category. This is necessary because of the fact that reducing our personnel expenditures for the agency as a whole is really the only way to stay within our total available funds. We are planning to accomplish this by leaving a great number of our existing vacancies unfilled for most of the remainder of the fiscal year and by attrition. None of these transfers will cause a reduction in force.

FEB 19 1987

NO. 6

STATE BUDGET & CONTROL BOARD

RECEIVED
JAN 13 1987

Budget & Control Board
STATE BUDGET DIVISION

009192

EXHIBIT

FEB 19 1987 NO. 6

STATE BUDGET & CONTROL BOARD

Mr. David Anderson
January 13, 1987
Page Two

Thank you for your assistance with everything this year. It has been the most difficult one for me in quite some time. I am optimistic that these transfers will give us adequate authorization in all of our inpatient programs until the last month of the fiscal year.

Sincerely,

Thomas A Marsh

Thomas A. Marsh
Director, Management Services

TAM:cmb

Encl.: T0057 - T0085

P.S. Refer to T0053

RECEIVED
JAN 13 1987
Budget &
STATE BUDGET & CONTROL BOARD

009193



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202
Information (803) 734-7783

Joseph J. Bevilacqua, Ph.D. / State Commissioner
(803) 734-7780

EXHIBIT

January 2, 1987

FEB 19 1987

NO. 6

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

Ernest E. Harrill
Greenville

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

Mr. David Anderson
Budget Development
Hampton Building, Room 408
Columbia, South Carolina 29201

Dear David:

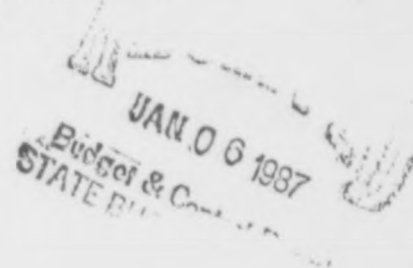
For the first time this year, we have finally identified what each center plans on doing with its Emergency Stabilization and Community Support Funding. Naturally there is a need for a transfer to reach the desired distribution of authorization among the various expenditure categories. There are three requests enclosed to accomplish this objective. No reduction in force will result from T0053. We appreciate your assistance with these requests. We hope you had an enjoyable holiday season.

Sincerely,

Thomas A. Marsh

Thomas A. Marsh
Director, Management Services
Financial Services

TAM:cmb
Enclosure: T0051
T0052
T0053



4- 7774

009194



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202

Information (803) 734-7783

Joseph J. Bevilacqua, Ph.D. / State Commissioner

(803) 734-7780

MENTAL HEALTH COMMISSION:

January 28, 1987

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

Ernest E. Harrill
Greenville

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

Mr. David Anderson
Budget Development
Wade Hampton Office Building
Room 408
Columbia, South Carolina

Dear David:

We are providing this additional information concerning our transfer requests T0053 and T0057 through T0085 per our conversations of January 27, 1987. We anticipate a transfer later in the fiscal year, in May or June, which will move unexpended funds from various community programs to various non-community programs. At that time we will quite possibly have requests that will be from operating categories to personal service categories. At any rate we will assure at that time that our authorization levels are adequate to meet our payroll obligations. Hopefully this information will assist you in your analysis of our request.

Sincerely,

Thomas A. Marsh

Thomas A. Marsh, Director
Management Services
Financial Services

TAM:cmb

EXHIBIT

FEB 19 1987

NO. 6

STATE BUDGET & CONTROL BOARD

RECEIVED
JAN 29 1987

Budget & Control Board

009195

AGENCY NUMBER J12 AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL 2565 TOTAL BATCH AMOUNT 1,369,588.00 BATCH DATE BATCH NUMBER DOCUM

AGENCY VOUCHER NUMBER

T0053

AGENCY TRANSFERRED TO (CIR)

NAME

Mental Health

ADDRESS

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 (CIR)

NAME

Mental Health

ADDRESS

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	4142	1001						0158	177,110.00	
07	350	J12	4142	1001						0158	22,327.00	
07	350	J12	4142	1001						0158	118,616.00	
07	350	J12	4142	1001						0158	112,589.00	
07	350	J12	4142	3000						0158	33,650.00	
07	350	J12	4142	3000						0158	313,259.00	
07	350	J12	4142	3000						0171	7,243.00	
TOTAL										1119	684,794.00	

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
07	300	J12	4142	1001						0200	177,110.00	
07	300	J12	4128	1001						0173	22,327.00	
07	300	J12	4128	1001						0200	118,616.00	
07	300	J12	4128	1001						0300	12,589.00	
07	300	J12	4142	3000						0173	33,650.00	
07	300	J12	4142	3000						0200	313,259.00	
07	300	J12	4142	3000						0200	7,243.00	
TOTAL										1446	684,794.00	

REQUESTED BY Thomas A. Marsh DATE 1-2-87 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.

009196

STATE AUDITOR _____ DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 3306 TOTAL BATCH AMOUNT 346,116.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT NUMBER 3

AGENCY VOUCHER NUMBER

T0057

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (ICR)

NAME	Mental Health
ADDRESS	

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 IDR

NAME	Mental Health
ADDRESS	

Realign Appropriation

REASON FOR TRANSFER:

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
07	350	J12	4904	1001						0158	23,809.00	
07	350	J12	4904	1001						0158	32,849.00	
07	350	J12	4125	1001						0158	58,242.00	
07	350	J12	4904	1001						0158	26,238.00	
07	350	J12	4904	1001						0158	14,925.00	
07	350	J12	4904	1001						0158	100.00	
07	350	J12	4904	1001						0158	16,895.00	
TOTAL										1106	173,058.00	

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
07	300	J12	4128	1001						0300	23,809.00	
07	300	J12	4128	1001						0400	32,849.00	
07	300	J12	4125	1001						0300	58,242.00	
07	300	J12	4125	1001						0300	26,238.00	
07	300	J12	4904	1001						0200	14,925.00	
07	300	J12	4904	1001						0400	100.00	
07	300	J12	4904	1001						0300	16,895.00	
TOTAL										2200	173,058.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

009197

STATE AUDITOR _____ DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 3409 TOTAL BATCH AMOUNT 472,778.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT 3

AGENCY VOUCHER NUMBER

T0058

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CRI)

NAME

Mental Health

ADDRESS

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 (OR)

NAME

Mental Health

ADDRESS

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	4905	1001						0158	76,347.00	
07	350	J12	0560	1001						0173	42,677.00	
07	350	J12	0560	1001						0173	49,057.00	
07	350	J12	0560	1001						0179	14,500.00	
07	350	J12	0560	1001						0180	2,700.00	
07	350	J12	0560	1001						0188	5,000.00	
07	350	J12	0562	1001						0158	46,108.00	
TOTAL										1209	236,389.00	

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
07	300	J12	4905	1001						0400	76,347.00	
07	300	J12	0561	1001						0200	42,677.00	
07	300	J12	0561	1001						0300	49,057.00	
07	300	J12	0561	1001						0300	14,500.00	
07	300	J12	0561	1001						0300	2,700.00	
07	300	J12	0561	1001						0300	5,000.00	
07	300	J12	0561	1001						0400	46,108.00	
TOTAL										2200	236,389.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

STATE AUDITOR 009198 DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 2764 TOTAL BATCH AMOUNT 1,384,498.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT 3

AGENCY VOUCHER NUMBER
T0059

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER _____

AGENCY TRANSFERRED TO ICRI:

NAME Mental Health
ADDRESS _____

APPROPRIATION TRANSFER

AGENCY TRANSFERRED FROM IDRI:

NAME Mental Health
ADDRESS _____

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.

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	0562	1001						0158	342,458.00	
07	350	J12	0562	1001						0160	55,964.00	
07	350	J12	0562	1001						0171	13,100.00	
07	350	J12	0562	1001						0173	34,250.00	
07	350	J12	4138	1001						0158	201,477.00	
07	350	J12	4138	1001						0171	10,000.00	
07	350	J12	4138	1001						0173	35,000.00	
TOTAL										1164	692,249.00	

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
07	300	J12	4139	1001						0200	342,458.00	
07	300	J12	4139	1001						0200	55,964.00	
07	300	J12	4139	1001						0200	13,100.00	
07	300	J12	4139	1001						0200	34,250.00	
07	300	J12	4138	1001						0300	201,477.00	
07	300	J12	4138	1001						0200	10,000.00	
07	300	J12	4138	1001						0300	35,000.00	
TOTAL										1600	692,249.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

009199

STATE AUDITOR _____ DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 6470 TOTAL BATCH AMOUNT 520,846.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT 3

AGENCY VOUCHER NUMBER

T0060

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM IDR:

NAME

Mental Health

ADDRESS

AGENCY TRANSFERRED TO (CRI)

NAME

Mental Health

ADDRESS

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.

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	4138	1001						0179	1,400.00	
07	350	J12	4138	1001						0183	1,180.00	
07	350	J12	4175	1001						0158	44,308.00	
07	350	J12	4175	1001						0158	169,798.00	
07	350	J12	4175	1001						0158	50.00	
07	350	J12	4175	1001						0158	4,720.00	
07	350	J12	4175	1001						0158	38,967.00	
TOTAL										1152	260,423.00	

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
07	300	J12	4138	1001						0300	1,400.00	
07	300	J12	4138	1001						0300	1,180.00	
07	300	J12	4138	1001						1100	44,308.00	
07	300	J12	4175	1001						0200	169,798.00	
07	300	J12	4175	1001						0500	50.00	
07	300	J12	4175	1001						0618	4,720.00	
07	300	J12	4175	1001						2300	38,967.00	
TOTAL										5318	260,423.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

STATE AUDITOR 009200 DATE _____

AGENCY NUMBER J12	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL 4636	TOTAL BATCH AMOUNT 977,940.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER

T0061

AGENCY TRANSFERRED TO (ICR)

NAME Mental Health
ADDRESS

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 IDR

NAME Mental Health
ADDRESS

Realign Appropriation

REASON FOR TRANSFER:

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
07	350	J12	4175	1001						0158	172,234.00	
07	350	J12	4175	1001						0158	23,088.00	
07	350	J12	0585	1001						0158	46,947.00	
07	350	J12	0585	1001						0160	6,465.00	
07	350	J12	0585	1001						0171	9,909.00	
07	350	J12	0585	1001						0173	3,548.00	
07	350	J12	0560	1001						0158	226,779.00	
TOTAL										1136	488,970.00	

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
07	300	J12	0583	1001						0200	172,234.00	
07	300	J12	0583	1001						0200	23,088.00	
07	300	J12	0583	1001						0200	46,947.00	
07	300	J12	0583	1001						0200	6,465.00	
07	300	J12	0583	1001						0200	9,909.00	
07	300	J12	0583	1001						0200	3,548.00	
07	300	J12	0583	1001						2300	226,779.00	
TOTAL										3500	488,970.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

STATE AUDITOR **009201** DATE _____

AGENCY NUMBER J12	AGENCY BATCH NUMBER	OBJECT CODE HASHTOTAL 4624	TOTAL BATCH AMOUNT 346,442.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER

T0062

AGENCY TRANSFERRED TO ICRI

NAME Mental Health
ADDRESS

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.

C G WARRANT NUMBER

AGENCY TRANSFERRED FROM IDR

NAME Mental Health
ADDRESS

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	0560	1001						0158	4,000.00	
07	350	J12	0560	1001						0158	10,184.00	
07	350	J12	0560	1001						0158	21,910.00	
07	350	J12	0560	1001						0158	3,014.00	
07	350	J12	0560	1001						0158	34,113.00	
07	350	J12	4904	1001						0158	58,637.00	
07	350	J12	4904	1001						0158	41,363.00	
TOTAL										1106	173,221.00	

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
07	300	J12	0583	1001						1100	4,000.00	
07	300	J12	0583	1001						0618	10,184.00	
07	300	J12	0583	1001						0600	21,910.00	
07	300	J12	0583	1001						0500	3,014.00	
07	300	J12	0583	1001						0200	34,113.00	
07	300	J12	0583	1001						0200	58,637.00	
07	300	J12	4139	1001						0300	41,363.00	
TOTAL										3518	173,221.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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

STATE AUDITOR **009202** DATE _____

AGENCY NUMBER AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL TOTAL BATCH AMOUNT BATCH DATE BATCH NUMBER DOCUMENT

J12

6763

1,117,706.00

3

AGENCY VOUCHER NUMBER

T0063

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO ICRI

NAME

Mental Health

ADDRESS

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 IDR

NAME

Mental Health

ADDRESS

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	0561	3000						0158	166,604.00	
07	350	J12	0561	3000						0179	17,610.00	
07	350	J12	0561	3000						0158	215,364.00	
07	350	J12	0562	3000						0158	1,492.00	
07	350	J12	0561	3000						0158	147,352.00	
07	350	J12	0561	3000						0173	3,041.00	
07	350	J12	0561	3000						0179	7,390.00	
TOTAL										1163	558,853.00	

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
07	300	J12	0561	3000						0300	166,604.00	
07	300	J12	0561	3000						0900	17,610.00	
07	300	J12	0561	3000						2300	215,364.00	
07	300	J12	0562	3000						0900	1,492.00	
07	300	J12	4139	3000						0400	147,352.00	
07	300	J12	4139	3000						0400	3,041.00	
07	300	J12	4139	3000						0400	7,390.00	
TOTAL										5600	558,853.00	

REQUESTED BY Thomas A. Meach DATE 1-13-87 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.

009203

STATE AUDITOR _____ DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 9219 TOTAL BATCH AMOUNT 1,153,958.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT 3

AGENCY VOUCHER NUMBER

T0064

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CRI)

NAME

Mental Health

ADDRESS

APPROPRIATION TRANSFER

AGENCY TRANSFERRED FROM (DIR)

NAME

Mental Health

ADDRESS

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.

Realign Appropriation

REASON FOR TRANSFER:

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
07	350	J12	4139	3000						0158	46,960.00	
07	350	J12	0583	3000						0171	13,317.00	
07	350	J12	4139	3000						0158	53,742.00	
07	350	J12	4139	3000						0158	257,364.00	
07	350	J12	4139	3000						0158	96,000.00	
07	350	J12	0585	3000						0158	79,846.00	
07	350	J12	0585	3000						0158	29,750.00	
TOTAL										1119	576,979.00	

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
07	300	J12	4139	3000						0400	46,960.00	
07	300	J12	0583	3000						2300	13,317.00	
07	300	J12	0583	3000						2300	53,742.00	
07	300	J12	0584	3000						0300	257,364.00	
07	300	J12	0584	3000						2300	96,000.00	
07	300	J12	0585	3000						0200	79,846.00	
07	300	J12	0585	3000						0300	29,750.00	
TOTAL										8100	576,979.00	

REQUESTED BY

Romas A. March

DATE

1-13-87

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.

STATE AUDITOR

009204

DATE

AGENCY NUMBER J12	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL 5706	TOTAL BATCH AMOUNT 759,506.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER

T0065

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO ICRI

NAME Mental Health
ADDRESS

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 IDR

NAME Mental Health
ADDRESS

Realign Appropriation

REASON FOR TRANSFER: _____

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
07	350	J12	0585	3000						0158	38,635.00	
07	350	J12	0585	3000						0158	16,581.00	
07	350	J12	0585	3000						0158	126,417.00	
07	350	J12	0584	5000				3400 30		0158	146,400.00	
07	350	J12	4139	3000						0158	28,940.00	-
07	350	J12	4139	3000						0158	20,593.00	.
07	350	J12	4139	3000						0158	2,187.00	.
TOTAL										1106	379,753.00	

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
07	300	J12	0585	3000						0400	38,635.00	
07	300	J12	0585	3000						0600	16,581.00	
07	300	J12	0585	3000						2300	126,417.00	
07	300	J12	0584	5000				3400 30		0200	146,400.00	
07	300	J12	0585	3000						0200	28,940.00	
07	300	J12	0585	3000						0300	20,593.00	
07	300	J12	0585	3000						0600	2,187.00	
TOTAL										4600	379,753.00	

REQUESTED BY Thomas A Marsh DATE 1-13-87 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.

STATE AUDITOR 009205 DATE _____

AGENCY NUMBER J12	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL 6360	TOTAL BATCH AMOUNT 1119944.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER

T0066

AGENCY TRANSFERRED TO (CRI)

NAME Mental Health
ADDRESS

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 (CIR)

NAME Mental Health
ADDRESS

REASON FOR TRANSFER: Realign Appropriation

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
07	350	J12	0565	1001						0200	11,265.00	
07	350	J12	4125	1001						0158	20,000.00	
07	350	J12	4125	1001						0158	24,123.00	
07	350	J12	4125	1001						0200	342.00	
07	350	J12	4125	1001						0500	1,150.00	
07	350	J12	4125	1001						0800	92.00	
07	350	J12	4125	1001						2300	3,000.00	
TOTAL										4316	59,972.00	

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
07	300	J12	4128	1001						0400	11,265.00	
07	300	J12	4125	1001						0171	20,000.00	
07	300	J12	4125	1001						0173	24,123.00	
07	300	J12	4125	1001						0300	342.00	
07	300	J12	4125	1001						0300	1,150.00	
07	300	J12	4125	1001						0300	92.00	
07	300	J12	4125	1001						0400	3,000.00	
TOTAL										2044	59,972.00	

REQUESTED BY Thomas A. Marsh DATE 1-13-87 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.

STATE AUDITOR 009206 DATE _____

AGENCY NUMBER J12 AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL 5607 TOTAL BATCH AMOUNT 461,064.00 BATCH DATE _____ BATCH NUMBER _____ DOCUMENT 3

AGENCY VOUCHER NUMBER

T0067

AGENCY TRANSFERRED TO (CRI)

NAME
Mental Health

ADDRESS

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 (CRI)

NAME
Mental Health

ADDRESS

Realign Appropriation

REASON FOR TRANSFER:

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
07	350	J12	4125	1001						2300	10,000.00	
07	350	J12	4904	1001						0158	5,000.00	
07	350	J12	4904	1001						0500	2,000.00	
07	350	J12	4904	1001						0600	6,185.00	
07	350	J12	4904	1001						0158	170,470.00	
07	350	J12	4905	1001						0158	25,000.00	
07	350	J12	4905	1001						0158	11,877.00	
TOTAL										4032	230,532.00	

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
07	300	J12	4125	1001						0300	10,000.00	
07	300	J12	4904	1001						0173	5,000.00	
07	300	J12	4904	1001						0300	2,000.00	
07	300	J12	4904	1001						0300	6,185.00	
07	300	J12	0561	1001						0158	170,470.00	
07	300	J12	4905	1001						0171	25,000.00	
07	300	J12	4905	1001						0173	11,877.00	
TOTAL										1575	230,532.00	

REQUESTED BY Thomas A. Mard DATE 1-13-87 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.

STATE AUDITOR 009207 DATE _____

EXHIBIT

FEB 19 1987

NO. 7

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

REGULAR SESSION
ITEM NUMBER

2

AGENCY: Budget Division

SUBJECT: 1986-87 Budget Recommendations

In response to the February 10 report of the Board of Economic Advisors, the Budget Division will present its report and recommendations on further budget reductions and on agency requests for exemption from the reductions. These will be presented at the meeting.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Agenda item worksheet.

009208

EXHIBIT

FEB 19 1987

NO. 7

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/78) & CONTROL BOARD

Meeting Scheduled for: February 19, 1987 Regular Agenda 87-60

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: _____

2. Subject:
The Impact of the 1986-87 Budget Reduction

3. Summary Background Information:
The State Budget Division will present a final report on the 1986-87 exemptions and budget reduction.

Detail report to be available at the Board meeting.

4. What is Board asked to do?
Information Only

5. What is recommendation of Board Division involved?
Information Only

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

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

7. Supporting Documents:
(a) List Those Attached:

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

009209

State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., 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
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

February 10, 1987

EXHIBIT

FEB 19 1987

NO. 7

STATE BUDGET & CONTROL BOARD

The Honorable Nick A. Theodore, President
The Senate
The State House
Columbia, SC 29201

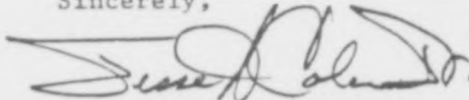
Dear Mr. President:

At its meeting today, the Budget and Control Board was advised by the Board of Economic Advisors that the most probable outcome for 1986-87 General Fund revenues is that they will be \$24 million lower than the November 1, 1986, estimate. The revised General Fund revenue estimate for 1986-87 is \$2,656.2 million.

In response, in accord with Part I, Section 144, of the 1986-87 Appropriations Act, the Board directed its staff to report to the General Assembly the likely necessity to reduce further the rate of expenditure of appropriated funds in the current fiscal year.

The Board also agreed to reschedule its next meeting to Thursday, February 19, 1987, at 9:15 a.m. at which time it is to consider this matter further and take whatever actions are necessary and appropriate.

Sincerely,



Jesse A. Coles, Jr., Ph.D.

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State of South Carolina
State Budget and Control Board

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GOVERNOR
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FEB 19 1987 NO. 7

STATE BUDGET & CONTROL BOARD

The Honorable Robert J. Sheheen, Speaker
House of Representatives
506 Blatt Building
Columbia, SC 29201

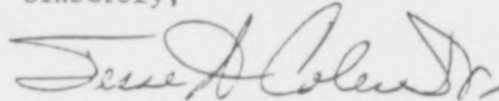
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Sincerely,



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FEB 19 1987 NO. 7

STATE BUDGET & CONTROL BOARD

009212

Board approved
Feb. 19, 1987

EXHIBIT

FY 1986 - 87
BUDGET ADJUSTMENT
RECOMMENDATION

FEB 19 1987 NO. 7

STATE BUDGET & CONTROL BOARD

REVENUE

Revenue in Act	2,771,466,100	
Reduction 11/1/86	(97,778,913)	
Reduction 2/10/87	<u>(24,100,000)</u>	
Revised Revenue 2/10/87	2,649,587,187	
Mental Retardation Prior Year Revenue Reimbursement	1,100,000	
		<hr/>
Net Estimated Revenue Available 2/19/87		2,650,687,187

EXPENDITURE

Appropriation in Act	2,761,121,639	
Capital Expenditure Fund	(27,714,661)	
2.6% Reduction	(62,602,917)	
Board Approved Exemptions	<u>627,092</u>	
Revised Appropriation 2/18/87	2,671,431,153	
Additional Proposed Exemptions to 2.6% Reduction	4,392,840	
Proposed 0.80% Reduction With Exemptions	<u>(17,026,290)</u>	
Revised Appropriation	2,658,797,703	
Projected Lapse	(8,500,000)	
		<hr/>
Estimated Expenditures 2/19/87		<u>2,650,297,703</u>

BALANCE

389,484

State Budget Division
2/19/87 - bdgtadjrec.80%

009213

009214

PERCENT CUT 2.60%

NEW CUT 0.800%

EXEMPTIONS:

JUDICIAL DEPARTMENT - ENTIRE AGENCY
 MENTAL HEALTH - ENTIRE AGENCY
 MENTAL RETARDATION - ENTIRE AGENCY
 OLD EXCHANGE BUILDING - ENTIRE AGENCY
 DEBT SERVICES - ENTIRE AGENCY
 YOUTH SERVICES - ENTIRE AGENCY
 TECH ED - \$4,546,403
 EDUCATION DEPT - \$46,024,291
 TAX COMMISSION - \$15,272,777
 PRT-TOURISM DIV - \$2,310,713

AGY NUM	AGENCY NAME	FY 86-87 BASE	EXEMPTION DESCRIPTION	EXEMPTION AMOUNT	ADJUSTED 86-87 BASE	ORIGINAL CUT OF 2.60%	PERCENTAGE OF 2.4% CUT	COST OF EXEMPTION	NEW ADJUSTED 86-87 BASE	ADDITIONAL 0.80% CUT	PERCENTAGE OF ADDITIONAL 0.80% CUT	REVISED FY86-87 BASE	TOTAL FY86-87 REDUCTION	ACTUAL % REDUCTION
101	LEG. DEPT-THE SENATE	\$6,181,404	LEGISLATIVE SALARY & FRINGE	\$929,422	\$5,251,982	\$136,552	84.964%	\$24,165	\$5,115,430	\$40,923	84.624%	\$6,003,929	\$177,475	2.871%
105	LEG. DEPT-HOUSE OF REPRESENTAT	\$8,457,691	LEGISLATIVE SALARY & FRINGE	\$2,462,476	\$5,995,215	\$155,876	70.885%	\$64,024	\$5,839,339	\$46,715	70.339%	\$8,255,100	\$202,591	2.395%
110	LEG. DEPT-SPECIAL SERVICES FOR	\$421,607			\$421,607	\$10,962	100.000%	\$0	\$410,645	\$3,285	99.995%	\$407,360	\$14,247	3.379%
115	LEG. DEPT-CODIFICATION OF LAWS	\$1,867,866			\$1,867,866	\$48,565	100.000%	\$0	\$1,819,301	\$14,554	99.997%	\$1,804,747	\$63,119	3.379%
117	LEG. DEPT-LEG PRINTING & INF.	\$2,877,576			\$2,877,576	\$74,817	100.000%	\$0	\$2,802,759	\$22,422	100.000%	\$2,780,337	\$97,239	3.379%
120	LEG. DEPT-LEG AUDIT COUNCIL	\$961,484			\$961,484	\$24,999	100.000%	\$0	\$936,485	\$0	0.000%	\$936,485	\$24,999	2.600%
125	LEG. DEPT-LEG INFORMATION SYST	\$956,412			\$956,412	\$24,867	100.000%	\$0	\$931,545	\$7,452	99.995%	\$924,093	\$32,319	3.379%
127	STATE REORGANIZATION COMMISSIO	\$793,992			\$793,992	\$20,664	100.000%	\$0	\$773,328	\$6,187	100.003%	\$767,141	\$26,851	3.379%
128	S C ADV COMM INTERGOVERNMENTAL	\$122,694			\$122,694	\$3,190	100.000%	\$0	\$119,504	\$956	99.997%	\$118,548	\$4,146	3.379%
140	JT. LEG. COMMITTEE ON ENERGY	\$145,226			\$145,226	\$3,776	100.000%	\$0	\$141,450	\$1,132	100.035%	\$140,318	\$4,908	3.380%
142	JT. LEG. APPROPRIATIONS REVIEW	\$311,796			\$311,796	\$8,107	100.000%	\$0	\$303,689	\$2,430	100.020%	\$301,259	\$10,537	3.379%
145	JT. LEG. COMMITTEE-HEALTH CARE	\$121,363			\$121,363	\$3,155	100.000%	\$0	\$118,208	\$966	100.036%	\$117,242	\$4,101	3.379%
150	JT. LEG. COM. ALCOHOL & DRUG A	\$30,019			\$30,019	\$780	100.000%	\$0	\$29,239	\$234	100.038%	\$29,005	\$1,014	3.378%
151	JT. LEG. COM. STATE BIDDING PR	\$17,052			\$17,052	\$443	100.000%	\$0	\$16,609	\$133	100.096%	\$16,476	\$576	3.378%
152	JT. LEG. COM. TOBACCO ADVISORY	\$7,245			\$7,245	\$188	100.000%	\$0	\$7,057	\$56	99.192%	\$7,001	\$244	3.368%
153	JT. LEG. COM. EDUCATION STUDY	\$34,782			\$34,782	\$904	100.000%	\$0	\$33,878	\$271	99.991%	\$33,607	\$1,175	3.378%
154	JT. LEG. COM. TEXTILE - APPARE	\$23,683			\$23,683	\$616	100.000%	\$0	\$23,067	\$185	100.251%	\$22,882	\$801	3.382%
155	JT. LEG. COM. STATE EMPLOYEES	\$8,566			\$8,566	\$223	100.000%	\$0	\$8,343	\$67	100.384%	\$8,276	\$290	3.385%
156	JT. LEG. COM. HANDICAPPED	\$3,000			\$3,000	\$78	100.000%	\$0	\$2,922	\$23	98.392%	\$2,899	\$101	3.367%
157	JT. LEG. COM. INS LAWS & AUTO	\$83,098			\$83,098	\$2,161	100.000%	\$0	\$80,937	\$647	99.923%	\$80,290	\$2,808	3.379%
158	JT. LEG. COM. WORKERS COMPENSA	\$35,182			\$35,182	\$915	100.000%	\$0	\$34,267	\$274	99.950%	\$33,993	\$1,189	3.380%
159	JT. LEG. COM. PUBLIC TRANSPORT	\$26,377			\$26,377	\$686	100.000%	\$0	\$25,691	\$206	100.230%	\$25,485	\$892	3.382%
160	JT. LEG. COM. AGING STUDY	\$67,943			\$67,943	\$1,767	100.000%	\$0	\$66,176	\$529	99.923%	\$65,647	\$2,296	3.379%
161	JT. LEG. COM. CONSUMER AFFAIRS	\$5,116			\$5,116	\$133	100.000%	\$0	\$4,983	\$40	100.341%	\$4,943	\$173	3.382%
162	JT. LEG. COM. AGRICULTURE STUD	\$12,000			\$12,000	\$312	100.000%	\$0	\$11,688	\$94	100.530%	\$11,594	\$406	3.383%
163	JT. LEG. COM. WATER RESOURCES	\$2,385			\$2,385	\$62	100.000%	\$0	\$2,323	\$19	102.238%	\$2,304	\$81	3.396%
164	JT. LEG. COM. CATAMBA INDIAN C	\$1,000			\$1,000	\$26	100.000%	\$0	\$974	\$8	102.669%	\$966	\$34	3.400%
165	JT. LEG. COM. MENTAL HEALTH &	\$65,299			\$65,299	\$1,698	100.000%	\$0	\$63,601	\$509	100.038%	\$63,092	\$2,207	3.380%
166	JT. LEG. COM. TOURISM & TRADE	\$26,245			\$26,245	\$682	100.000%	\$0	\$25,563	\$205	100.243%	\$25,358	\$887	3.380%
168	JT. LEG. COM. CONT COM ON RETI	\$8,058			\$8,058	\$210	100.000%	\$0	\$7,848	\$63	100.344%	\$7,785	\$273	3.388%
169	JT. LEG. COM. TAX STUDY COMMISS	\$55,909			\$55,909	\$1,454	100.000%	\$0	\$54,455	\$436	100.081%	\$54,019	\$1,890	3.380%
170	JT. LEG. CHILDREN'S STUDY	\$660,102			\$660,102	\$17,163	100.000%	\$0	\$642,939	\$5,144	100.009%	\$637,795	\$22,307	3.379%
171	JT. LEG. COM. CRIME STUDY	\$4,000			\$4,000	\$104	100.000%	\$0	\$3,896	\$31	99.461%	\$3,865	\$135	3.375%
172	JT. LEG. COM. INTERNAL SECURIT	\$2,500			\$2,500	\$65	100.000%	\$0	\$2,435	\$19	97.536%	\$2,416	\$84	3.360%
178	JT. LEG. COM. ON RAILROAD ABAN	\$5,000			\$5,000	\$130	100.000%	\$0	\$4,870	\$39	100.103%	\$4,831	\$169	3.380%
179	JT. LEG. COM. ON AQUACULTURE	\$6,018			\$6,018	\$156	100.000%	\$0	\$5,862	\$47	100.222%	\$5,815	\$203	3.373%
180	JT. LEG. COM. ON CULTURAL AFFA	\$43,674			\$43,674	\$1,136	100.000%	\$0	\$42,538	\$340	99.911%	\$42,198	\$1,476	3.380%
181	JT. LEG. ELECTION LAW STUDY CO	\$42,779			\$42,779	\$1,112	100.000%	\$0	\$41,667	\$333	99.899%	\$41,334	\$1,445	3.378%
182	JT. LEG. EIA SELECT COMMITTEE	\$0			\$0	\$0	0.000%	\$0	\$0	\$0	0.000%	\$0	\$0	0.000%

009215

PERCENT CUT

2.60%

NEW CUT

0.800%

EXEMPTIONS:

JUDICIAL DEPARTMENT - ENTIRE AGENCY
 MENTAL HEALTH - ENTIRE AGENCY
 MENTAL RETARDATION - ENTIRE AGENCY
 OLD EXCHANGE BUILDING - ENTIRE AGENCY
 DEBT SERVICES - ENTIRE AGENCY
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B04	JUDICIAL DEPARTMENT	\$22,170,308	JUDGES SALARIES & FRINGE	\$9,397,544	\$12,772,764	\$332,092	57.612%	\$244,336	\$0	\$0	0.000%	\$21,838,216	\$332,092	1.498%
D05	GOVERNORS OFF-EXECUTIVE CONTRO	\$1,235,633			\$1,235,633	\$32,126	100.000%	\$0	\$1,203,507	\$9,628	99.999%	\$1,193,879	\$41,754	3.379%
D10	GOVERNORS OFF-STATE LAW ENFORC	\$15,294,960			\$15,294,960	\$397,669	100.000%	\$0	\$14,897,291	\$55,865	46.875%	\$14,841,426	\$453,534	2.965%
D17	GOVERNORS OFF-OFF EXEC POLICY	\$6,454,960			\$6,454,960	\$167,829	100.000%	\$0	\$6,287,131	\$50,297	100.000%	\$6,236,834	\$218,126	3.379%
D20	GOVERNORS OFF-MANSION AND GROU	\$186,236			\$186,236	\$4,842	100.000%	\$0	\$181,394	\$1,451	99.990%	\$179,943	\$6,293	3.379%
E04	LIEUTENANT GOVERNOR'S OFFICE	\$204,044			\$204,044	\$5,305	100.000%	\$0	\$198,739	\$1,590	100.006%	\$197,149	\$6,895	3.379%
E08	SECRETARY OF STATE'S OFFICE	\$948,022			\$948,022	\$24,649	100.000%	\$0	\$923,373	\$0	0.000%	\$923,373	\$24,649	2.600%
E12	COMPTROLLER GENERAL'S OFFICE	\$5,210,561	AUDITORS & TREASURES	\$1,445,862	\$3,764,699	\$97,882	72.251%	\$37,592	\$3,666,817	\$29,335	71.721%	\$5,083,544	\$127,217	2.442%
E16	STATE TREASURER'S OFFICE	\$3,078,961			\$3,078,961	\$80,053	100.000%	\$0	\$2,998,908	\$23,991	99.999%	\$2,974,917	\$104,044	3.379%
E20	ATTORNEY GENERAL'S OFFICE	\$9,780,987	CIRC SOLIC SAL & FRINGE	\$1,616,452	\$8,164,535	\$212,278	83.473%	\$42,028	\$7,952,257	\$63,618	83.107%	\$9,505,091	\$275,896	2.821%
E22	COMMISSION ON APPELLATE DEFENS	\$737,012			\$737,012	\$19,162	100.000%	\$0	\$717,850	\$5,745	100.003%	\$712,107	\$24,905	3.379%
E24	ADJUTANT GENERAL'S OFFICE	\$3,872,950			\$3,872,950	\$100,697	100.000%	\$0	\$3,772,253	\$30,178	100.000%	\$3,742,075	\$130,875	3.379%
E25	SOUTH CAROLINA STATE GUARD	\$73,776			\$73,776	\$1,918	100.000%	\$0	\$71,858	\$575	100.024%	\$71,283	\$2,493	3.379%
E28	STATE ELECTION COMMISSION	\$1,237,502			\$1,237,502	\$32,175	100.000%	\$0	\$1,205,327	\$9,643	100.004%	\$1,195,684	\$41,818	3.379%
F02	B & C-OFFICE OF EXECUTIVE DIRE	\$3,544,225			\$3,544,225	\$92,150	100.000%	\$0	\$3,452,075	\$27,617	100.001%	\$3,424,458	\$119,767	3.379%
F06	B & C-BUDGET DIVISION	\$3,179,643			\$3,179,643	\$82,671	100.000%	\$0	\$3,096,972	\$24,776	100.001%	\$3,072,196	\$107,447	3.379%
F08	B & C-RESEARCH AND STATISTICAL	\$2,265,401			\$2,265,401	\$58,900	100.000%	\$0	\$2,206,501	\$17,652	100.000%	\$2,188,849	\$76,552	3.379%
F10	B & C-INFORMATION RESOURCES MA	\$3,116,288			\$3,116,288	\$81,023	100.000%	\$0	\$3,035,265	\$24,282	100.000%	\$3,010,983	\$105,305	3.379%
F12	B & C-GENERAL SERVICES DIVISIO	\$5,718,143	ROBERT MILLS BUILDING RENT	\$335,000	\$5,383,143	\$139,962	94.141%	\$8,710	\$5,243,181	\$41,945	93.993%	\$5,516,236	\$181,907	3.181%
F14	B & C-STATE FIRE MARSHAL	\$2,589,673			\$2,589,673	\$67,331	100.000%	\$0	\$2,522,342	\$20,179	100.001%	\$2,502,163	\$87,510	3.379%
F16	B & C-MOTOR VEHICLE MANAGEMENT	\$253,575			\$253,575	\$6,593	100.000%	\$0	\$246,982	\$1,976	100.007%	\$245,006	\$8,569	3.379%
F24	B & C-HUMAN RESOURCE MANAGEMEN	\$3,005,270			\$3,005,270	\$78,137	100.000%	\$0	\$2,927,133	\$23,417	100.000%	\$2,903,716	\$101,554	3.379%
F26	B & C-LOCAL GOVERNMENT DIVISIO	\$6,629,794			\$6,629,794	\$172,375	100.000%	\$0	\$6,457,419	\$51,659	99.999%	\$6,405,760	\$224,034	3.379%
F27	B & C-STATE AUDITOR	\$3,158,784			\$3,158,784	\$82,128	100.000%	\$0	\$3,076,656	\$24,613	99.999%	\$3,052,043	\$106,741	3.379%
F29	B & C-RETIREMENT DIVISION	\$0			\$0	\$0	0.000%	\$0	\$0	\$0	0.000%	\$0	\$0	0.000%
F30	B & C-EMPLOYEE BENEFITS	\$28,692,544			\$28,692,544	\$746,006	100.000%	\$0	\$27,946,538	\$223,572	100.000%	\$27,722,966	\$969,578	3.379%
H03	COMMISSION ON HIGHER EDUCATION	\$3,275,708			\$3,275,708	\$85,168	100.000%	\$0	\$3,190,540	\$25,524	99.999%	\$3,165,016	\$110,692	3.379%
H06	HIGHER EDUCATION TUITION GRANT	\$15,815,969			\$15,815,969	\$411,215	100.000%	\$0	\$15,404,754	\$123,238	100.000%	\$15,281,516	\$534,453	3.379%
H09	THE CITADEL	\$12,308,043			\$12,308,043	\$320,009	100.000%	\$0	\$11,988,034	\$95,904	100.000%	\$11,892,130	\$415,913	3.379%
H12	CLEMSON UNIVERSITY (EDUCATIONA	\$60,977,287			\$60,977,287	\$1,585,409	100.000%	\$0	\$59,391,878	\$475,155	100.000%	\$58,916,743	\$2,060,544	3.379%
H15	COLLEGE OF CHARLESTON	\$16,790,776			\$16,790,776	\$436,560	100.000%	\$0	\$16,354,216	\$130,834	100.000%	\$16,223,382	\$567,394	3.379%
H18	FRANCIS MARION COLLEGE	\$9,499,103			\$9,499,103	\$246,977	100.000%	\$0	\$9,252,126	\$74,017	100.000%	\$9,178,109	\$320,994	3.379%
H21	LANDER COLLEGE	\$7,110,643			\$7,110,643	\$184,877	100.000%	\$0	\$6,925,766	\$55,406	100.000%	\$6,870,360	\$240,283	3.379%
H24	S C STATE COLLEGE	\$17,389,594			\$17,389,594	\$452,129	100.000%	\$0	\$16,937,465	\$135,500	100.000%	\$16,801,965	\$587,629	3.379%
H27	UNIV OF SOUTH CAROLINA	\$104,364,037			\$104,364,037	\$2,713,465	100.000%	\$0	\$101,650,572	\$813,205	100.000%	\$100,837,367	\$526,670	3.379%
H28	UNIV OF SOUTH CAROLINA - MEDIC	\$13,051,275			\$13,051,275	\$339,333	100.000%	\$0	\$12,711,942	\$101,696	100.000%	\$12,610,246	\$441,029	3.379%
H29	U S C - AIKEN CAMPUS	\$5,471,328			\$5,471,328	\$142,255	100.000%	\$0	\$5,329,073	\$42,633	100.001%	\$5,286,440	\$184,888	3.379%
H32	U S C - COASTAL CAROLINA CAMPU	\$7,019,407			\$7,019,407	\$182,505	100.000%	\$0	\$6,836,902	\$54,695	100.000%	\$6,782,207	\$237,200	3.379%
H34	U S C - SPARTANBURG CAMPUS	\$6,929,699			\$6,929,699	\$180,172	100.000%	\$0	\$6,749,527	\$53,996	100.000%	\$6,695,531	\$234,168	3.379%

009216

PERCENT CUT 2.60%

NEW CUT 0.800%

EXEMPTIONS:

JUDICIAL DEPARTMENT - ENTIRE AGENCY
 MENTAL HEALTH - ENTIRE AGENCY
 MENTAL RETARDATION - ENTIRE AGENCY
 OLD EXCHANGE BUILDING - ENTIRE AGENCY
 DEBT SERVICES - ENTIRE AGENCY
 YOUTH SERVICES - ENTIRE AGENCY
 TECH ED - \$4,546,403
 EDUCATION DEPT - \$46,024,291
 TAX COMMISSION - \$15,272,777
 PRT-TOURISM DIV - \$2,310,713

AGY NUM	AGENCY NAME	FY 86-87 BASE	EXEMPTION DESCRIPTION	EXEMPTION AMOUNT	ADJUSTED 86-87 BASE	ORIGINAL CUT OF 2.60%	PERCENTAGE OF 2.6% CUT	COST OF EXEMPTION	NEW ADJUSTED 86-87 BASE	ADDITIONAL 0.80% CUT	PERCENTAGE OF ADDITIONAL 0.80% CUT	TOTAL FY86-87 BASE	REDUCTION	ACTUAL % REDUCTION
H36	U S C - BEAUFORT CAMPUS	\$976,543			\$976,543	\$25,390	100.000%	\$0	\$951,153	\$7,609	99.997%	\$943,544	\$32,999	3.379%
H37	U S C - LANCASTER CAMPUS	\$1,758,551			\$1,758,551	\$45,722	100.000%	\$0	\$1,712,829	\$13,703	100.003%	\$1,699,126	\$59,425	3.379%
H38	U S C - SALKHATCHIE CAMPUS	\$1,146,233			\$1,146,233	\$29,802	100.000%	\$0	\$1,116,431	\$8,931	99.995%	\$1,107,500	\$38,733	3.379%
H39	U S C - SUMTER CAMPUS	\$2,484,871			\$2,484,871	\$64,607	100.000%	\$0	\$2,420,264	\$19,362	99.999%	\$2,400,902	\$83,969	3.379%
H40	U S C - UNION CAMPUS	\$677,730			\$677,730	\$17,621	100.000%	\$0	\$660,109	\$5,281	100.002%	\$654,828	\$22,902	3.379%
H47	WINTHROP COLLEGE	\$16,359,705			\$16,359,705	\$425,352	100.000%	\$0	\$15,934,353	\$127,475	100.000%	\$15,806,878	\$552,827	3.379%
H51	MEDICAL UNIVERSITY OF S C	\$69,073,953			\$69,073,953	\$1,795,923	100.000%	\$0	\$67,278,030	\$538,224	100.000%	\$66,739,806	\$2,334,147	3.379%
H52	MEDICAL UNIVERSITY OF S C HOSP	\$11,667,420			\$11,667,420	\$303,353	100.000%	\$0	\$11,364,067	\$90,913	100.001%	\$11,273,154	\$394,266	3.379%
H53	S. C. CONSORTIUM OF COMM. TEAC	\$13,302,900			\$13,302,900	\$345,875	100.000%	\$0	\$12,957,025	\$103,656	100.000%	\$12,853,369	\$449,531	3.379%
H54	CHARLESTON HIGHER EDUCATION CO	\$222,246			\$222,246	\$5,778	100.000%	\$0	\$216,468	\$1,732	100.015%	\$214,736	\$7,510	3.379%
H55	ADV COUNCIL VOCATIONAL & TECHN	\$41,790			\$41,790	\$1,087	100.000%	\$0	\$40,703	\$526	100.115%	\$40,377	\$1,413	3.381%
H59	ST. BD. FOR TECHNICAL & COMPRE	\$87,081,827			\$87,081,827	\$2,264,128	100.000%	\$0	\$84,817,699	\$642,170	94.640%	\$84,175,529	\$2,906,298	3.337%
H63	STATE EDUCATION DEPARTMENT	\$942,188,158			\$942,188,158	\$24,496,892	100.000%	\$0	\$917,691,266	\$6,973,336	94.985%	\$910,717,930	\$31,470,228	3.340%
H67	EDUCATIONAL TELEVISION COMMISS	\$16,031,201			\$16,031,201	\$416,811	100.000%	\$0	\$15,614,390	\$124,915	100.000%	\$15,489,475	\$541,726	3.379%
H71	WIL LOU GRAY OPPORTUNITY SCHOOL	\$2,406,817			\$2,406,817	\$62,577	100.000%	\$0	\$2,344,240	\$18,754	100.000%	\$2,325,486	\$81,331	3.379%
H73	VOCATIONAL REHABILITATION	\$14,548,469			\$14,548,469	\$378,260	100.000%	\$0	\$14,170,209	\$113,362	100.000%	\$14,056,847	\$491,622	3.379%
H75	SCHOOL FOR THE DEAF AND THE BL	\$9,384,784			\$9,384,784	\$244,004	100.000%	\$0	\$9,140,780	\$73,126	100.000%	\$9,067,654	\$317,130	3.379%
H79	DEPARTMENT OF ARCHIVES AND HIS	\$3,645,340			\$3,645,340	\$94,779	100.000%	\$0	\$3,550,561	\$28,404	99.998%	\$3,522,157	\$123,183	3.379%
H83	CONFEDERATE RELIC ROOM	\$199,931			\$199,931	\$5,190	100.000%	\$0	\$194,733	\$1,558	100.009%	\$193,175	\$6,756	3.379%
H87	S. C. STATE LIBRARY	\$5,065,156	MT. VERNON MILL RENT	\$96,960	\$4,968,196	\$129,173	98.084%	\$2,521	\$4,839,023	\$38,712	98.035%	\$4,800,271	\$167,885	3.315%
H91	S. C. ARTS COMMISSION	\$2,892,937			\$2,892,937	\$75,216	100.000%	\$0	\$2,817,721	\$22,542	100.001%	\$2,795,179	\$97,758	3.379%
H95	STATE MUSEUM COMMISSION	\$3,335,441	MT. VERNON MILL RENT	\$2,088,700	\$1,246,741	\$32,415	37.378%	\$54,306	\$1,214,326	\$9,715	34.764%	\$3,293,311	\$42,130	1.263%
J02	STATE HEALTH & HUMAN SERVICES	\$92,063,464			\$92,063,464	\$2,393,650	100.000%	\$0	\$89,669,814	\$717,359	100.000%	\$88,952,455	\$3,111,009	3.379%
J04	DEPT OF HEALTH & ENVIRONMENTAL	\$76,113,833			\$76,113,833	\$1,978,960	100.000%	\$0	\$74,134,873	\$593,079	100.000%	\$73,541,794	\$2,572,039	3.379%
J12	DEPARTMENT OF MENTAL HEALTH	\$132,243,223	EXEMPT 1/2 AGENCY BUDGET	\$66,121,611	\$66,121,612	\$1,719,162	50.000%	\$1,719,162	\$0	\$0	0.000%	\$130,524,061	\$1,719,162	1.300%
J16	DEPARTMENT OF MENTAL RETARDATI	\$66,898,735	EXEMPT 1/2 AGENCY BUDGET	\$33,449,367	\$33,449,368	\$869,684	50.000%	\$869,684	\$0	\$0	0.000%	\$66,029,051	\$869,684	1.300%
J20	S. C. COMMISSION ON ALCOHOL &	\$7,901,221			\$7,901,221	\$205,432	100.000%	\$0	\$7,695,789	\$61,566	99.999%	\$7,634,223	\$266,998	3.379%
L04	DEPARTMENT OF SOCIAL SERVICES	\$88,777,628			\$88,777,628	\$2,308,218	100.000%	\$0	\$86,469,410	\$691,755	100.000%	\$85,777,655	\$2,999,973	3.379%
L12	JOHN DE LA HOME SCHOOL	\$2,515,659			\$2,515,659	\$65,407	100.000%	\$0	\$2,450,252	\$19,602	100.000%	\$2,430,650	\$85,009	3.379%
L16	ADV. BD. FOR REV OF FOSTER CAR	\$459,865	EXEMPT ENTIRE AGENCY	\$459,865	\$0	\$0	0.000%	\$11,956	\$0	\$0	0.000%	\$459,865	\$0	0.000%
L20	CHILDREN'S BUREAU	\$1,167,792			\$1,167,792	\$30,363	100.000%	\$0	\$1,137,429	\$9,099	99.995%	\$1,128,330	\$39,462	3.379%
L24	COMMISSION FOR THE BLIND	\$3,084,219			\$3,084,219	\$80,190	100.000%	\$0	\$3,004,029	\$24,032	99.999%	\$2,979,997	\$104,222	3.379%
L28	COMMISSION ON AGING	\$1,826,526			\$1,826,526	\$47,490	100.000%	\$0	\$1,779,036	\$14,232	99.998%	\$1,764,804	\$61,722	3.379%
L32	STATE HOUSING AUTHORITY	\$472,818			\$472,818	\$12,293	100.000%	\$0	\$460,525	\$3,684	99.995%	\$456,841	\$15,977	3.379%
L36	S. C. COMMISSION ON HUMAN AFFA	\$1,369,501			\$1,369,501	\$35,607	100.000%	\$0	\$1,333,894	\$10,671	99.999%	\$1,323,223	\$46,278	3.379%
L40	DEPT. OF VETERANS AFFAIRS	\$1,154,225			\$1,154,225	\$30,010	100.000%	\$0	\$1,124,215	\$8,994	100.003%	\$1,115,221	\$39,004	3.379%
L44	COMMISSION ON WOMEN	\$67,586			\$67,586	\$1,757	100.000%	\$0	\$65,829	\$0	0.000%	\$65,829	\$1,757	2.600%
N04	DEPARTMENT OF CORRECTIONS	\$121,314,748	EXEMPT 1/2 AGENCY BUDGET	\$60,657,374	\$60,657,374	\$1,577,092	50.000%	\$1,577,092	\$119,737,656	\$443,102	46.258%	\$119,294,554	\$2,020,194	1.665%
N08	PAROLES AND COMMUNITY CORRECTI	\$13,034,755			\$13,034,755	\$338,904	100.000%	\$0	\$12,695,851	\$101,567	100.000%	\$12,594,284	\$440,471	3.379%

009217

PERCENT CUT 2.60%

NEW CUT 0.800%

EXEMPTIONS:

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 TECH ED - \$4,546,403
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AGY NUM	AGENCY NAME	FY 86-87 BASE	EXEMPTION DESCRIPTION	EXEMPTION AMOUNT	ADJUSTED 86-87 BASE	ORIGINAL CUT OF 2.60%	PERCENTAGE OF 2.6% CUT	COST OF EXEMPTION	NEW ADJUSTED 86-87 BASE	ADDITIONAL 0.80% CUT	PERCENTAGE OF ADDIT. 0.80% CUT	REVISED FY86-87 BASE	TOTAL FY86-87 REDUCTION	ACTUAL % REDUCTION
412	DEPARTMENT OF YOUTH SERVICES	\$26,382,724	EXEMPT ENTIRE AGENCY	\$26,382,724	\$0	\$0	0.000%	\$685,951	\$0	\$0	0.000%	\$26,382,724	\$0	0.000%
420	LAW ENFORCEMENT TRAINING COUNCIL	\$0		\$0	\$0	\$0	0.000%	\$0	\$0	\$0	0.000%	\$0	\$0	0.000%
424	LAW OFFICERS HALL OF FAME COMM	\$0		\$0	\$0	\$0	0.000%	\$0	\$0	\$0	0.000%	\$0	\$0	0.000%
404	WATER RESOURCES COMMISSION	\$3,075,324		\$3,075,324	\$19,958	\$19,958	100.000%	\$0	\$2,995,366	\$23,963	100.000%	\$2,971,403	\$103,921	3.379%
408	STATE LAND RESOURCES CONSERVATION	\$2,690,169		\$2,690,169	\$69,944	\$69,944	100.000%	\$0	\$2,620,225	\$20,962	100.001%	\$2,599,263	\$90,906	3.379%
412	STATE FORESTRY COMMISSION	\$14,789,800		\$14,789,800	\$384,535	\$384,535	100.000%	\$0	\$14,405,265	\$115,242	100.000%	\$14,290,023	\$499,777	3.379%
416	DEPARTMENT OF AGRICULTURE	\$6,025,711		\$6,025,711	\$156,668	\$156,668	100.000%	\$0	\$5,869,043	\$46,952	99.999%	\$5,822,091	\$203,620	3.379%
418	FAMILY FARM DEVELOPMENT AUTHORITY	\$263,850		\$263,850	\$6,860	\$6,860	100.000%	\$0	\$256,990	\$2,056	100.004%	\$254,934	\$8,916	3.379%
420	CLEMSON UNIVERSITY-PUBLIC SERVICE	\$35,149,889		\$35,149,889	\$913,897	\$913,897	100.000%	\$0	\$34,235,992	\$135,565	49.497%	\$34,100,427	\$1,049,462	2.986%
422	MIGRATORY WATERFOWL COMMISSION	\$32,400		\$32,400	\$842	\$842	100.000%	\$0	\$31,558	\$252	99.816%	\$31,306	\$1,094	3.377%
424	WILDLIFE & MARINE RESOURCES DEPT	\$17,439,238		\$17,439,238	\$453,420	\$453,420	100.000%	\$0	\$16,985,818	\$120,287	88.520%	\$16,865,531	\$573,707	3.290%
425	COASTAL COUNCIL	\$1,080,251		\$1,080,251	\$28,087	\$28,087	100.000%	\$0	\$1,052,164	\$0	0.000%	\$1,052,164	\$28,087	2.600%
426	SEA GRANT CONSORTIUM	\$468,993		\$468,993	\$12,194	\$12,194	100.000%	\$0	\$456,799	\$3,654	99.989%	\$453,145	\$15,848	3.379%
428	DEPARTMENT OF PARKS, RECREATION	\$11,663,188		\$11,663,188	\$303,243	\$303,243	100.000%	\$0	\$11,359,945	\$49,437	54.398%	\$11,310,508	\$352,680	3.024%
432	STATE DEVELOPMENT BOARD	\$5,485,808		\$5,485,808	\$142,631	\$142,631	100.000%	\$0	\$5,343,177	\$42,745	99.999%	\$5,300,432	\$185,376	3.379%
434	JOBS-ECONOMIC DEVELOPMENT AUTHORITY	\$444,113		\$444,113	\$11,547	\$11,547	100.000%	\$0	\$432,566	\$3,461	100.014%	\$429,105	\$15,008	3.379%
436	PATRIOTS POINT DEVELOPMENT AUTHORITY	\$342,933		\$342,933	\$8,916	\$8,916	100.000%	\$0	\$334,017	\$2,672	99.995%	\$331,345	\$11,588	3.379%
440	CLARKS HILL-RUSSELL AUTHORITY	\$768,341		\$768,341	\$19,977	\$19,977	100.000%	\$0	\$748,364	\$5,987	100.001%	\$742,377	\$25,964	3.379%
448	OLD EXCHANGE BUILDING COMMISSION	\$95,014		\$95,014	\$2,470	\$2,470	100.000%	\$0	\$0	\$0	0.000%	\$92,544	\$2,470	2.600%
404	PUBLIC SERVICE COMMISSION	\$5,509,272		\$5,509,272	\$143,241	\$143,241	100.000%	\$0	\$5,366,031	\$42,928	99.999%	\$5,323,103	\$186,169	3.379%
408	INDUSTRIAL COMMISSION	\$3,480,028		\$3,480,028	\$90,481	\$90,481	100.000%	\$0	\$3,389,547	\$27,116	99.999%	\$3,362,431	\$117,597	3.379%
412	STATE WORKERS' COMPENSATION FUND	\$110,000		\$110,000	\$2,860	\$2,860	100.000%	\$0	\$107,140	\$857	99.986%	\$106,283	\$3,717	3.379%
416	SECOND INJURY FUND	\$0		\$0	\$0	\$0	0.000%	\$0	\$0	\$0	0.000%	\$0	\$0	0.000%
420	DEPARTMENT OF INSURANCE	\$4,640,194		\$4,640,194	\$120,645	\$120,645	100.000%	\$0	\$4,519,549	\$36,156	99.999%	\$4,483,393	\$156,801	3.379%
423	FINANCIAL INST BD-ADMINISTRATIVE	\$19,545		\$19,545	\$508	\$508	100.000%	\$0	\$19,037	\$0	0.000%	\$19,037	\$508	2.599%
424	FINANCIAL INST BD-BANK EXAMINER	\$1,063,920		\$1,063,920	\$27,662	\$27,662	100.000%	\$0	\$1,036,258	\$0	0.000%	\$1,036,258	\$27,662	2.600%
425	FINANCIAL INST BD-CONSUMER FIN	\$356,588		\$356,588	\$9,271	\$9,271	100.000%	\$0	\$347,317	\$0	0.000%	\$347,317	\$9,271	2.600%
428	DEPARTMENT OF CONSUMER AFFAIRS	\$1,577,003		\$1,577,003	\$41,002	\$41,002	100.000%	\$0	\$1,536,001	\$0	0.000%	\$1,536,001	\$41,002	2.600%
426	DEPARTMENT OF LABOR	\$3,264,218		\$3,264,218	\$84,870	\$84,870	100.000%	\$0	\$3,179,348	\$25,435	100.001%	\$3,153,913	\$110,305	3.379%
444	STATE TAX COMMISSION	\$28,437,325	MT. VERNON MILL RENT	\$800,630	\$27,636,695	\$718,554	97.185%	\$20,816	\$26,918,141	\$96,340	43.445%	\$27,622,431	\$814,894	2.866%
448	ALCOHOLIC BEVERAGE CONTROL COM	\$3,094,859		\$3,094,859	\$80,466	\$80,466	100.000%	\$0	\$3,014,393	\$24,115	99.999%	\$2,990,278	\$104,581	3.379%
452	STATE ETHICS COMMISSION	\$166,446		\$166,446	\$4,328	\$4,328	100.000%	\$0	\$162,118	\$1,297	100.004%	\$160,821	\$5,625	3.379%
460	EMPLOYMENT SECURITY COMMISSION	\$203,814		\$203,814	\$5,299	\$5,299	100.000%	\$0	\$198,515	\$1,588	99.992%	\$196,927	\$6,887	3.379%
464	BOARD OF ACCOUNTANCY	\$267,792	EXEMPT ENTIRE AGENCY	\$267,792	\$0	\$0	0.000%	\$6,963	\$267,792	\$0	0.000%	\$267,792	\$0	0.000%
468	BOARD OF ARCHITECTURAL EXAMINER	\$176,639	EXEMPT ENTIRE AGENCY	\$176,639	\$0	\$0	0.000%	\$4,593	\$176,639	\$0	0.000%	\$176,639	\$0	0.000%
469	AUCTIONEERS' COMMISSION	\$108,873	EXEMPT ENTIRE AGENCY	\$108,873	\$0	\$0	0.000%	\$2,831	\$108,873	\$0	0.000%	\$108,873	\$0	0.000%
472	BOARD OF BARBER EXAMINERS	\$146,706	EXEMPT ENTIRE AGENCY	\$146,706	\$0	\$0	0.000%	\$3,814	\$146,706	\$0	0.000%	\$146,706	\$0	0.000%
474	STATE ATHLETIC COMMISSION	\$26,499	EXEMPT ENTIRE AGENCY	\$26,499	\$0	\$0	0.000%	\$689	\$26,499	\$0	0.000%	\$26,499	\$0	0.000%
476	CEMETERY BOARD	\$20,569	EXEMPT ENTIRE AGENCY	\$20,569	\$0	\$0	0.000%	\$535	\$20,569	\$0	0.000%	\$20,569	\$0	0.000%

009218

PERCENT CUT

2.60%

NEW CUT

0.800%

EXEMPTIONS:

JUDICIAL DEPARTMENT - ENTIRE AGENCY
 MENTAL HEALTH - ENTIRE AGENCY
 MENTAL RETARDATION - ENTIRE AGENCY
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GY	AGENCY NAME	FY 86-87 BASE	EXEMPTION AMOUNT	ADJUSTED 86-87 BASE	ORIGINAL CUT OF 2.60%	PERCENTAGE OF 2.6% CUT	COST OF EXEMPTION	NEW ADJUSTED 86-87 BASE	ADDITIONAL 0.80% CUT	PERCENTAGE OF ADDIT. 0.80% CUT	REVISED FY86-87 BASE	TOTAL FY86-87 REDUCTION	ACTUAL % REDUCTION
40	BOARD OF CHIROPRACTIC EXAMINER	\$53,170	\$53,170	\$0	\$0	0.000%	\$1,382	\$53,170	\$0	0.000%	\$53,170	\$0	0.000%
42	CONTRACTORS LICENSING BD	\$284,326	\$284,326	\$0	\$0	0.000%	\$7,392	\$284,326	\$0	0.000%	\$284,326	\$0	0.000%
44	BOARD OF COSMETOLOGY	\$379,993	\$379,993	\$0	\$0	0.000%	\$9,880	\$379,993	\$0	0.000%	\$379,993	\$0	0.000%
48	BOARD OF DENTISTRY	\$148,037	\$148,037	\$0	\$0	0.000%	\$3,849	\$148,037	\$0	0.000%	\$148,037	\$0	0.000%
52	BOARD OF ENGINEERS AND LAND SU	\$279,711	\$279,711	\$0	\$0	0.000%	\$7,272	\$279,711	\$0	0.000%	\$279,711	\$0	0.000%
94	BD. OF CERT. OF ENVIR. SYSTEMS	\$164,026	\$164,026	\$0	\$0	0.000%	\$4,265	\$164,026	\$0	0.000%	\$164,026	\$0	0.000%
96	BOARD OF REGISTRATION FOR FORE	\$14,080	\$14,080	\$0	\$0	0.000%	\$366	\$14,080	\$0	0.000%	\$14,080	\$0	0.000%
99	BOARD OF FUNERAL SERVICE	\$63,012	\$63,012	\$0	\$0	0.000%	\$1,638	\$63,012	\$0	0.000%	\$63,012	\$0	0.000%
04	BOARD OF MEDICAL EXAMINERS	\$714,523	\$714,523	\$0	\$0	0.000%	\$18,578	\$714,523	\$0	0.000%	\$714,523	\$0	0.000%
08	BOARD OF NURSING	\$595,919	\$595,919	\$0	\$0	0.000%	\$15,494	\$595,919	\$0	0.000%	\$595,919	\$0	0.000%
12	BD. OF EX. FOR NURSING HOME AD	\$52,998	\$52,998	\$0	\$0	0.000%	\$1,378	\$52,998	\$0	0.000%	\$52,998	\$0	0.000%
14	BD. OF OCCUPATIONAL THERAPY	\$2,378	\$2,378	\$0	\$0	0.000%	\$62	\$2,378	\$0	0.000%	\$2,378	\$0	0.000%
17	BD. OF EXAM. IN OPTICIANRY	\$14,272	\$14,272	\$0	\$0	0.000%	\$371	\$14,272	\$0	0.000%	\$14,272	\$0	0.000%
18	BD. OF EXAM. IN OPTOMETRY	\$39,001	\$39,001	\$0	\$0	0.000%	\$1,014	\$39,001	\$0	0.000%	\$39,001	\$0	0.000%
20	THE BOARD OF PHARMACY	\$176,618	\$176,618	\$0	\$0	0.000%	\$4,592	\$176,618	\$0	0.000%	\$176,618	\$0	0.000%
24	BOARD OF PHYSICAL THERAPY EXAM	\$30,785	\$30,785	\$0	\$0	0.000%	\$800	\$30,785	\$0	0.000%	\$30,785	\$0	0.000%
28	BOARD OF PODIATRY EXAMINERS	\$1,044	\$1,044	\$0	\$0	0.000%	\$27	\$1,044	\$0	0.000%	\$1,044	\$0	0.000%
30	BOARD OF PROF. COUNSELORS & TH	\$25,000	\$25,000	\$0	\$0	0.000%	\$650	\$25,000	\$0	0.000%	\$25,000	\$0	0.000%
32	BOARD OF EXAMINERS IN PSYCHOLO	\$12,901	\$12,901	\$0	\$0	0.000%	\$335	\$12,901	\$0	0.000%	\$12,901	\$0	0.000%
36	REAL ESTATE COMMISSION	\$1,158,211	\$1,158,211	\$0	\$0	0.000%	\$30,113	\$1,158,211	\$0	0.000%	\$1,158,211	\$0	0.000%
40	RESIDENTIAL HOME BUILDERS COMM	\$471,812	\$471,812	\$0	\$0	0.000%	\$12,267	\$471,812	\$0	0.000%	\$471,812	\$0	0.000%
44	BD. OF EX. FOR REGISTERED SANI	\$7,236	\$7,236	\$0	\$0	0.000%	\$188	\$7,236	\$0	0.000%	\$7,236	\$0	0.000%
48	STATE BOARD OF SOCIAL WORK EXA	\$6,000	\$6,000	\$0	\$0	0.000%	\$156	\$6,000	\$0	0.000%	\$6,000	\$0	0.000%
52	BD. OF EX. FOR SPEECH, PATHOLO	\$13,663	\$13,663	\$0	\$0	0.000%	\$355	\$13,663	\$0	0.000%	\$13,663	\$0	0.000%
56	BD. OF VETERINARY MEDICAL EXAM	\$22,987	\$22,987	\$0	\$0	0.000%	\$598	\$22,987	\$0	0.000%	\$22,987	\$0	0.000%
64	AERONAUTICS COMMISSION	\$2,525,313		\$2,525,313	\$65,658	100.000%	\$0	\$2,459,655	\$19,677	99.999%	\$2,439,978	\$85,335	3.379%
74	DEBT SERVICE	\$107,578,483	\$107,578,483	\$0	\$0	0.000%	\$2,797,041	\$0	\$0	0.000%	\$107,578,483	\$0	0.000%
90	DUES AND CONTRIBUTIONS	\$10,000		\$10,000	\$260	100.000%	\$0	\$9,740	\$0	0.000%	\$9,740	\$260	2.600%
92	AID TO SUBDIVISIONS	\$179,992,876		\$179,992,876	\$4,679,815	100.000%	\$0	\$175,313,061	\$1,402,504	100.000%	\$173,910,557	\$6,082,319	3.379%
90	DEPT. OF HIGHWAYS & PUBLIC TRA	\$1,303,288		\$1,303,288	\$33,885	100.000%	\$0	\$1,269,403	\$10,155	99.998%	\$1,259,248	\$44,040	3.379%
TOTALS		\$2,727,105,764	\$319,301,251	\$2,407,804,513	\$62,602,917	88.292%	\$8,301,833	\$2,301,822,401	\$17,026,290	79.876%	\$2,647,476,557	\$79,629,207	2.920%

CAPITAL EXPENDITURE FUND
PART 1 NON-RECURRING

527,714.661
56,501.214

527,714.661 100.000%
0.000%

TOTAL REDUCTION AT 2.4%
TOTAL ADDITIONAL 0.80% REDUCTIONS:

590,317.578

TOTAL APPROPRIATION

52,761,121.659

52,761,121.659 52,761,121.659 3.888%

SUMMARY:

FY 86-87 APPROPRIATION ACT

REPRIEVES TO THE 2.4% CUT:

CAPITAL EXPENDITURE FUND
2.4% REDUCTION
0.80% REDUCTION
BEC 1/16/87 ACTIONS
ADDITIONAL 2.4% EXEMPTIONS:
PROJECTED LASPE

BOARD ACTIONS THRU 1-16-87
JUDICIAL DEPARTMENT
GOVERNOR'S OFF-CEPP
DEAF & BLIND SCHOOL
WILDLIFE DEPARTMENT

REVISED FY 86-87 APPROPRIATIONS

TOTAL ACTIONS THRU 1-16-87:

REVENUE AVAILABLE 2-19-87

BBC BOARD ACTIONS 2-19-87:

BALANCE 2-19-87:

TOTAL BAC ACTIONS 2-19-87:

PREPARED BY BUDGET AND CONTROL BOARD
BUDGET DIVISION 2-19-87

009219

EXHIBIT

FEB 19 1987

NO. 7

STATE BUDGET & CONTROL BOARD

AGENCY	AGENCY NAME	BASE BUDGET	EXEMPTION	RECOMMENDED	ADDITIONAL	REQUESTED	RECOMMENDED
NO.		AMOUNT	ON 2.8% CUT	EXEMPTIONS	ON 2.8% CUT	EXEMPTIONS	ON 2.8% CUT
421	LES. DEPT-HE SEANTE	\$929,422	\$0	\$0	\$0	\$0	\$7,435
423	LES. DEPT-CLERK OF REPRESENT	\$2,462,476	\$0	\$0	\$0	\$0	\$19,782
428	LES. DEPT-LES ADJUT. COMM.	\$51,484	\$16,145	\$16,145	\$0	\$0	\$7,145
462	ST. LES. COM. AGING STUDY	\$57,943	\$1,767	\$0	\$0	\$0	\$0
324	JUDICIAL DEPARTMENT	\$9,397,544	\$0	\$0	\$0	\$0	\$155,527
412	GOVERNOR OFF-SITE JAN. ENDRIC	\$12,594,562	\$0	\$0	\$0	\$0	\$57,355
326	SECRETARY OF STATE'S OFFICE	\$5,812,222	\$24,645	\$24,645	\$0	\$0	\$7,112
412	COMPTROLLER GENERAL'S OFFICE	\$1,445,662	\$0	\$0	\$0	\$0	\$11,567
422	ATTORNEY GENERAL'S OFFICE	\$1,516,452	\$0	\$0	\$0	\$0	\$12,932
412	B & C-GENERAL SERVICES DIVISION	\$335,820	\$0	\$0	\$0	\$0	\$2,660
426	18-MONTH EDUCATION TUITION GRANT	\$15,515,955	\$0	\$0	\$0	\$0	\$0
437	J. S. C. - JACOBSON CAMPUS	\$1,758,551	\$0	\$0	\$0	\$0	\$0
438	J. S. C. - SLOAN-WHITE CAMPUS	\$1,146,233	\$0	\$0	\$0	\$0	\$0
439	J. S. C. - BUNTER CAMPUS	\$2,454,671	\$0	\$0	\$0	\$0	\$0
442	J. S. C. - UNION CAMPUS	\$577,732	\$0	\$0	\$0	\$0	\$0
459	ST. BO. FOR EDUCATION & COMPRE	\$67,281,827	\$0	\$0	\$0	\$0	\$0
462	STATE EDUCATION DEPARTMENT	\$942,382,158	\$1,285,522	\$720,220	\$7,151,771	\$55,650	\$34,259
467	EDUCATIONAL TELEVISION COMMISS	\$16,231,221	\$0	\$0	\$0	\$0	\$345,222
467	S. C. STATE LIBRARY	\$5,255,156	\$0	\$0	\$0	\$0	\$0
468	STATE MUSEUM COMMISSION	\$2,325,441	\$0	\$0	\$0	\$0	\$0
482	STATE HEALTH & HUMAN SERVICES	\$92,631,454	\$0	\$0	\$0	\$0	\$0
484	DEPT OF HEALTH & ENVIRONMENTAL	\$75,113,632	\$0	\$0	\$0	\$0	\$0
412	DEPARTMENT OF HEALTH & ENVIRONMENTAL	\$132,313,623	\$1,719,152	\$1,719,152	\$0	\$0	\$0
416	DEPARTMENT OF HEALTH & RETIREMENT	\$65,358,725	\$0	\$0	\$0	\$0	\$0
416	ROW. SC. FOR REV. OF FOSTER CAR	\$423,655	\$0	\$0	\$0	\$0	\$0
444	COMMISSION ON WOMEN	\$57,566	\$0	\$0	\$0	\$0	\$0
424	DEPARTMENT OF CORRECTIONS	\$121,114,748	\$1,757	\$1,757	\$0	\$0	\$1542
412	DEPARTMENT OF VOTER SERVICES	\$65,315,724	\$0	\$0	\$0	\$0	\$0
428	CLEMSON UNIVERSITY-PUBLIC SERV	\$25,145,689	\$0	\$0	\$0	\$0	\$0
424	WILDLIFE & MARINE RESOURCES DE	\$7,433,238	\$0	\$0	\$0	\$0	\$0
425	COASTAL COMMISSION	\$1,622,251	\$0	\$0	\$0	\$0	\$0
426	DEPT. OF PARKS, RECREATION & TOURISM	\$11,622,186	\$0	\$0	\$0	\$0	\$0
448	C.D. ENCLOSURE BUILDING COMMISS	\$35,814	\$0	\$0	\$0	\$0	\$0
424	PUBLIC SERVICE COMMISSION	\$1,523,272	\$0	\$0	\$0	\$0	\$0
424	FINANCIAL INST. ED-ADMINISTRATION	\$15,545	\$0	\$0	\$0	\$0	\$0
424	FINANCIAL INST. ED-BANK EXAMIN	\$1,253,920	\$0	\$0	\$0	\$0	\$0
425	FINANCIAL INST. ED-CONSUMER FIN	\$356,588	\$0	\$0	\$0	\$0	\$0
428	DEPARTMENT OF CONSUMER AFFAIRS	\$1,577,023	\$0	\$0	\$0	\$0	\$0
444	STATE TAX COMMISSION	\$65,437,325	\$718,534	\$337,092	\$114,546	\$114,546	\$2,238
464	BOARD OF ACCOUNTANCY	\$257,752	\$0	\$0	\$0	\$0	\$0
468	BOARD OF ARCHITECTURAL EXAMINE	\$75,639	\$0	\$0	\$0	\$0	\$0
463	BOARD OF ARCHITECTURAL EXAMINE	\$163,673	\$0	\$0	\$0	\$0	\$0
472	BOARD OF BARBER EXAMINERS	\$145,726	\$0	\$0	\$0	\$0	\$0
474	STATE ATHLETIC COMMISSION	\$65,459	\$0	\$0	\$0	\$0	\$0
475	CERTIFICATES BOARD	\$20,559	\$0	\$0	\$0	\$0	\$0
460	BOARD OF C-INDUSTRIAL EXAMINER	\$53,170	\$0	\$0	\$0	\$0	\$0
462	CONTRACTORS LICENSING BO	\$264,326	\$0	\$0	\$0	\$0	\$0
464	BOARD OF COSMETOLOGY	\$379,953	\$0	\$0	\$0	\$0	\$0
468	BOARD OF DENTISTRY	\$145,237	\$0	\$0	\$0	\$0	\$0
452	BOARD OF ENGINEERS AND LAND SU	\$279,711	\$0	\$0	\$0	\$0	\$0
494	BO. OF CERT. OF ENVIR. SYSTEMS	\$164,626	\$0	\$0	\$0	\$0	\$0

009220

995 BOARD OF REGISTRATION FOR FORE	\$14,860 EXEMPT ENTIRE AGENCY	\$14,860	00	00	00	00
999 BOARD OF FUNERAL SERVICE	\$53,012 EXEMPT ENTIRE AGENCY	\$53,012	00	00	\$524	\$524
904 BOARD OF MEDICAL EXAMINERS	\$714,523 EXEMPT ENTIRE AGENCY	\$714,523	00	00	00	00
906 BOARD OF NURSING	\$595,919 EXEMPT ENTIRE AGENCY	\$595,919	00	00	00	00
912 BO. OF EX. FOR NURSING HOME AD	\$52,956 EXEMPT ENTIRE AGENCY	\$52,956	00	00	00	00
914 BO. OF OCCUPATIONAL THERAPY	\$2,376 EXEMPT ENTIRE AGENCY	\$2,376	00	00	00	00
917 BO. OF EXAM. IN OPTICIARY	\$14,272 EXEMPT ENTIRE AGENCY	\$14,272	00	00	00	00
918 BO. OF EXAM. IN OPTOMETRY	\$39,221 EXEMPT ENTIRE AGENCY	\$39,221	00	00	00	00
920 THE BOARD OF PHARMACY	\$176,618 EXEMPT ENTIRE AGENCY	\$176,618	00	00	00	00
924 BOARD OF PHYSICAL THERAPY EXAM	\$30,765 EXEMPT ENTIRE AGENCY	\$30,765	00	00	00	00
926 BOARD OF PODIATRY EXAMINERS	\$1,044 EXEMPT ENTIRE AGENCY	\$1,044	00	00	00	00
930 BOARD OF PROF. COUNSELORS & TH	\$25,000 EXEMPT ENTIRE AGENCY	\$25,000	00	00	00	00
932 BOARD OF EXAMINERS IN PSYCHOLO	\$12,901 EXEMPT ENTIRE AGENCY	\$12,901	00	00	00	00
935 REAL ESTATE COMMISSION	\$1,158,211 EXEMPT ENTIRE AGENCY	\$1,158,211	00	00	00	00
942 RESIDENTIAL HOME BUILDERS COMM	\$471,812 EXEMPT ENTIRE AGENCY	\$471,812	00	00	00	00
944 BO. OF EX. FOR REGISTERED SAND	\$7,236 EXEMPT ENTIRE AGENCY	\$7,236	00	00	00	00
946 STATE BOARD OF SOCIAL WORK EXA	\$5,000 EXEMPT ENTIRE AGENCY	\$5,000	00	00	00	00
952 BO. OF EX. FOR SPEECH, PATHOLO	\$13,663 EXEMPT ENTIRE AGENCY	\$13,663	00	00	00	00
956 BO. OF VETERINARY MEDICAL EXAM	\$22,967 EXEMPT ENTIRE AGENCY	\$22,967	00	00	00	00
904 DEBT SERVICE	\$107,578,463	\$107,578,463	00	00	\$825,839	\$825,839
992 DUES & CONTRIBUTIONS	\$10,000	00	\$260	\$260	\$75	\$60
922 AID TO SUBDIVISIONS	\$179,992,676	00	\$9,227	\$9,227	00	00

TOTAL:

\$5,117,283 \$4,392,640 \$13,459,826 \$4,211,224

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009221

EXHIBIT

FEB 19 1987

NO. 7

FY 1986 - 87
BUDGET ADJUSTMENT
RECOMMENDATION

STATE BUDGET & CONTROL BOARD

DISTRIBUTED

REVENUE

Revenue in Act	2,771,466,100	
Reduction 11/1/86	(97,778,913)	
Reduction 2/10/87	<u>(24,100,000)</u>	
Revised Revenue 2/10/87	2,649,587,187	
Mental Retardation Prior Year Revenue Reimbursement	1,100,000	
		<hr/>
Net Estimated Revenue Available 2/19/87		2,650,687,187

EXPENDITURE

Appropriation in Act	2,761,121,639	
Capital Expenditure Fund	(27,714,661)	
2.6% Reduction	(62,602,917)	
Board Approved Exemptions	<u>627,092</u>	
Revised Appropriation 2/18/87	2,671,431,153	
Additional Proposed Exemptions to 2.6% Reduction	4,392,840	
Proposed 0.80% Reduction With Exemptions	<u>(17,062,960)</u>	
Revised Appropriation	2,658,761,033	
Projected Lapse	(8,500,000)	
		<hr/>
Estimated Expenditures 2/19/87		<u>2,650,261,033</u>

BALANCE

426,154

State Budget Division
2/19/87 - bdgtadjrec.80%

009222

In accordance with constitutional and statutory requirements, and based on revenue estimates submitted by the Board of Economic Advisors at the February 3, 1987, Budget and Control Board meeting, the Budget Division is directed to reduce expenditures for Fiscal Year 1986-87 by \$17,000,000, subject to any action the General Assembly may adopt contrary thereto.

From Mr. Patterson

He asked that you
call + discuss with
him first thing
Thurs AM.

EXHIBIT

FEB 19 1987

NO. 7

STATE BUDGET & CONTROL BOARD

009223

EXHIBIT

FEB 19 1987

NO. 8

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF FEBRUARY 19, 1987

ITEM NUMBER

5

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Grant Requests

The Division advises that the following requests for rural improvement funds have been received:

(a) Chester County

This is a request for \$30,000 to help finance the addition of five miles of water line to serve the Great Falls area of the County. Project would serve a depressed area of the County generally and it would specifically serve Acme Nameplate and Manufacturing, Inc., now the largest corporate employer in the area (85 jobs), which is facing dramatic increases in its insurance premium because of the lack of adequate water supply to change an overhead sprinkler system.

This request is brought to the Board because \$29,500 was awarded to the County on December 4, 1986, for this same purpose. The Division indicates that the funds would come from House and Senate accounts in equal amounts.

(b) Town of Ravenel (Charleston County)

This is a request for \$49,999 to help finance the completion of a water distribution system. The Division notes that rural improvement funds in the amount of \$49,999 were granted in 1985 and that \$50,000 of these funds also were approved in 1986. Total cost of the project is estimated at \$942,001 of which \$500,000 are to be federal funds, \$170,000 from the City of Charleston Commissioners of Public Works and \$122,003 are to be provided by the Town of Ravenel, in addition to the State funds indicated.

The Division indicates that half of the funds requested are to come from Senate accounts and half from House accounts.

BOARD ACTION REQUESTED:

Approve the following rural improvement fund grants: (a) \$30,000 to Chester County; and (b) \$49,999 to the Town of Ravenel.

ATTACHMENTS:

Agenda item worksheets and applications.

009224

FEB 13 1987

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

For meeting scheduled for:

February 19, 1987

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature:

Nancy P. White

2. Subject:

Request by Chester County

3. Summary Background Information:

Chester County is requesting \$30,000 in Rural Improvement Funds to add five miles of water line to provide an adequate supply of water to serve Acme Nameplate and Mfg., Inc. The application is being taken to the Board due to the fact that \$29,500 was awarded to Chester County on 12/4/86 for this same purpose. With the additional funding that is required, the total grant amount for this project is more than the Division of Local Government can approve.

EXHIBIT

 $\frac{1}{2}$ Senate; $\frac{1}{2}$ House

FEB 19 1987

NO. 8

STATE BUDGET & 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

Attached application

List Those Not Attached But Available
from Submitter

(a)

009225

EXHIBIT

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

FEB 19 1987 NO. 8

STATE BUDGET & CONTROL BOARD

APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT Chester County
STREET ADDRESS 140 Main Street P. O. Box 580
CITY OR TOWN Chester, STATE S. C. ZIP 29706

Application must be completed in full. Submit original and one copy.

Description of Project:

To add five miles of water line in the Great Falls section of our county. Great Falls is one of the most economically depressed areas of our state because of the recent closing of three (3) J. P. Stevens plants. Acme Nameplate and Mfg., Inc. is now the largest corporate employer in the Great Falls area and they are facing dramatic increases in their insurance premiums because of a lack of an available water supply to change an overhead sprinkler system.

Anticipated Results of Projects:

The long range effect of this project will be to provide water to assist in the economic development and industrial recruitment in a depressed area of our county. In the short run we will guarantee the eighty-five (85) jobs at Acme Nameplate and there is a likely possibility of expansion by the company and the creation of more jobs.

Source of Funding (Federal, State, Local, Private donations, etc...)

Govenor's Discretionary Fund	\$100,000.00
Rural Water and Sewer Program	50,000.00
Great Falls Development Corp.	108,000.00

FEB 12 1987

009226

Anticipated Expenditures (IN DETAIL)

The preliminary engineering report from
Keistler Engineering Co., Inc. to construct five (5) miles of water
lines is \$414,000.00.

EXHIBIT

FEB 19 1987 NO. 8

STATE BUDGET & CONTROL BOARD

If approved, when will you need the funds? Date: immediately \$

House Funds \$ 30,000.00

Senate Funds \$

TOTAL \$ 30,000.00

General Information

A. Unencumbered General Fund Balance none

B. How often is the applicant audited? annually

C. What period was covered by the last audit? July 1, 1985- June 30, 1986

D. What audit procedures will apply to Rural Improvement funds? any required

E. Name and Title of individual responsible for administration of Grant:
R. Carlisle Roddey Title County Supervisor

Approved by:

(Legislative Approval)

Paul E. Short, Jr.
Charles G. Kelly
Ed. Cross

Organization Chester County Council

Authorized Signature R. Carlisle Roddey Title County Supervisor

Phone 385-5133 Date December 2, 1986

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

FEB 12 1987

009227

FEB 13 1987

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

For meeting scheduled for:

February 19, 1987

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: Nancy P. White

2. Subject: Request by the town of Ravenel (Charleston)

3. Summary Background Information:

The town of Ravenel is requesting \$49,999 in Rural Improvement Funds to complete the construction of a water distribution system. The proposed financing for the project is as follows:

CDBG	\$ 500,000
City of Charleston-CPW	170,000
Town of Ravenel	122,003
Division of Local Government	
1987 request	49,999
1986 approved	50,000
1985 approved	49,999

 $\frac{1}{2}$ Senate; $\frac{1}{2}$ House

TOTAL \$ 942,001

4. What is Board asked to do?

EXHIBIT

Approve request

FEB 19 1987

NO. 8

STATE BUDGET & CONTROL BOARD

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:

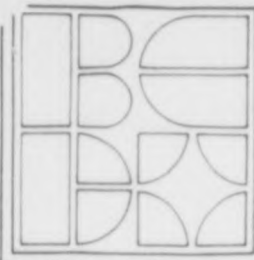
List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

(b)

009228



**BERKELEY
CHARLESTON
DORCHESTER
COUNCIL OF GOVERNMENTS**

EXECUTIVE COMMITTEE MEMBERS

CHAIRMAN John E. Huguley	Lorne Hamilton III
VICE CHAIRMAN Hazel S. Panson-Starkes	Michael J. Hetzler
SECRETARY Gordon B. Shire DDS	W.G. Henderson
TREASURER Johnnie T. Fyfe	Wanda H. Jefferson
John E. Bourne Jr.	Richard L. Jones
Charles L. Cuzzell	Elizabeth Kerrison
Marion T. Dudley	Vernon M. Kizer
Herbert U. Fielding	Moses Middleton Jr.
George W. Fyfe	Mary R. Miller
Benice Friendly	Wayne Reeves
	Joseph P. Riley Jr.
	Margaret H. Rush
	Imogene Russell
	McKinley Washington Jr.
	EXECUTIVE DIRECTOR
	Thomas L. Hansen

January 26, 1987

EXHIBIT

FEB 19 1987

NO. 8

Reverend McKinley Washington
Post Office Box 247
Hollywood, SC 29470

STATE BUDGET & CONTROL BOARD

RE: Town of Ravenel Rural Improvements Commitments

Dear Reverend Washington:

The Mayor and Council of the Town of Ravenel requested that I complete and forward to you the enclosed copy of the Town's application for the final increment of funding from the Office of Rural Improvements. As you know, the Town of Ravenel received a commitment for funding from the SC Budget & Control Board in the amount of \$ 149,997. These funds, combined with funds from a Community Development Block Grant and a commitment from Charleston Commissioners of Public Works, are paying for the construction of a Townwide water distribution system. Additionally, grant funds will be utilized to pay tap on costs, lateral installation and plumbing modifications for all qualifying low and moderate income residents desiring service.

The Town has accomplished a great deal on the project. An engineering firm was selected, plans and specifications completed and approved, and easements acquired. On December 1, 1986 a Notice to Proceed was issued to the low bidder of G & P, Inc.

We appreciate your kind assistance in the past and look forward to the successful completion of the Town's project. Please contact the Mayor or me if you should need additional information regarding this very worthwhile project.

Very truly yours,

Linda Tucker

Technical Assistance Manager

cc Curits Inabinett, Mayor
Betty Gainey, Town Clerk
Steve Kinard, CCPW
Hugh Miley, Harwood Beebe Co.
Richard Durham, DCEA

009229

FEB 5 1987

Business and Technology Center, Suite 1-548
701 East Bay Street, BTC Box 1120, Charleston, South Carolina 29403-5098 803/577-6990

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT Town of Ravenel
STREET ADDRESS P O Box 104
CITY OR TOWN Ravenel, STATE SC ZIP 29470

Application must be completed in full. Submit original and one copy.

Description of Project:

Ravenel Water System project - This project involves the construction of a potable water distribution system in the Town of Ravenel.

EXHIBIT

FEB 19 1987 NO. 8

STATE BUDGET & CONTROL BOARD

Anticipated Results of Projects:

The Town of Ravenel is the only municipality in Charleston County which does not have a public water distribution system. As is the case for the Coastal areas around Charleston, the Town of Ravenel has marginal quality groundwater sources with high concentrations of chemicals.

Source of Funding (Federal, State, Local, Private donations, etc...)

\$500,000	Office of the Governor Division of Community and Economic Development Community Development Block Grant
170,000 +	City of Charleston Commissioners of Public Works
149,997	Budget and Control Board Local Government Division
122,003	Town of Ravenel
<u>\$942,000</u> GRAND TOTAL	

FEB 5 1987

009230

Anticipated Expenditures (IN DETAIL)

S.C. Budget and Control Board, Local Government Division Funds will be used along with CDBG Funds to construct a water distribution system within the Town of Ravenel. Funds will be expended as outlined in the attached Preliminary Engineering Report prepared by the Harwood Beebe Company.

If approved, when will you need the funds? Date: 3/1/87 \$ 49,999

House Funds \$ _____

Senate Funds \$ _____

TOTAL \$ 49,999

EXHIBIT

FEB 19 1987 NO. 8

General Information

STATE BUDGET & CONTROL BOARD

A. Unencumbered General Fund Balance _____

B. How often is the applicant audited? Annually

C. What period was covered by the last audit? July 1, 1985 - June 30, 1986

D. What audit procedures will apply to Rural Improvement funds? _____
OmbCircular A 128

E. Name and Title of individual responsible for administration of Grant:
Curtis B. Inabinett Title Mayor

Approved by:

(Legislative Approval)

McLain Washington ✓
Herbert U. Fielding
R. D. Smith ✓
Allen E. McNeill

Organization Town of Ravenel

Authorized Signature Curtis B. Inabinett Title Mayor

Phone 883-3949 or 889-8732 Date 1/26/87

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

009231

EXHIBIT

FEB 19 1987

NO. 9

STATE BUDGET AND CONTROL BOARD ~~STATE BUDGET & CONTROL BOARD~~ REGULAR SESSION
MEETING OF FEBRUARY 19, 1987

ITEM NUMBER

6

AGENCY: Attorney General's Office

SUBJECT: Use of Capital Improvement Bond Funds for Dormitory Asbestos Removal

Staff of the Attorney General's Office have advised that the opinion requested by Executive Director Coles on the use of capital improvement bond funds to finance dormitory asbestos removal is to be presented at the meeting.

The Board is reminded that, at its February 10 meeting, it approved the establishment of the USC-Columbia Hall (Dormitory) Asbestos Removal project so as to permit it to be implemented, on the condition that the approved source of funds for the project be excess USC housing bond reserve funds until the Board can take definitive action on the project source of funds question.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Coles January 30 letter to Wilson; Part I, Section 130; Section 1, item 3, Act 538 of 1986.

009232

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803 734-3680

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BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987

NO. 9

STATE BUDGET & CONTROL BOARD

February 18, 1987

Jesse A. Coles, Jr., Ph.D.
Executive Director
State Budget and Control Board
P. O. Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

You have requested an opinion regarding the following question:

Is it proper legally for the Budget and Control Board, under the terms of Code Section 2-47-50 and in view of the provisions of Part I, Section 130, of Act 540 of 1986, to approve the establishment of any permanent improvement project which proposes to abate asbestos in or to remove asbestos from any dormitory facilities of any State institution of higher learning using capital improvement bond proceeds authorized in Act 538 of 1986 or in any other Act as the source of funds for such project?

It is our opinion that capital improvement bond proceeds may be used as the source of funds for such projects. However, the Board of Trustees for the appropriate institution of higher learning would most probably be required to adjust the student housing fee to reflect that additional expense and to make corresponding payments to the general fund or to give some other consideration in compensation for the financing thereby received.

As indicated in your letter, Part I, Section 130, of Act No. 540 of 1986 (1985-86 General Appropriations Act) provides that:

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EXHIBIT

Jesse A. Coles, Jr., Ph.D.
Page 3
February 18, 1987

FEB 19 1987 NO. 9

STATE BUDGET & CONTROL BOARD

Your specific question was whether capital improvement bond proceeds may be used for such an asbestos abatement project. The proviso at issue here is silent as to how a State institution of higher learning should finance any particular capital expense which it might incur for student housing or other such personal subsistence services. Specifically, there is no limitation that an institution use only revenue bond financing. Although we are advised that revenue bond financing is frequently used in this situation, nonetheless the General Assembly has also on occasion provided for the issuance of capital improvement bonds to fund certain capital expenditures for such facilities. [See e.g., Craig Union Cafeteria renovation and expansion for College of Charleston, § 1(6), Act No. 538 of 1986 (vetoed by Governor); cafeteria expansion for Francis Marion College, Part I, § 1(6), Act No. 194 of 1979.] There can be no dispute that such an expenditure would serve a valid public purpose. See, Hunt v. McNair, 255 S.C. 71, 177 S.E.2d 362 (1970), vacated on other grounds and remanded, 403 U.S. 945 (1971). For these reasons we would advise that capital improvement bond proceeds may lawfully be used for an asbestos abatement project approved by the Budget and Control Board pursuant to the authority granted it in § 2-47-50, S. C. CODE, 1976 (as amended).

We would advise further that, if general obligation bond proceeds are used to finance capital expenses for such facilities, the proviso at issue here, Part I, Section 130, Act 540 of 1986, would most probably require that the institution pay some consideration from its special continuing account for student housing fees in an amount which would be appropriate in light of the financing thereby extended.¹ A question might be asked as to whether the authorization of general obligation bond financing in the Capital Improvement Bond Act (Act 538 of 1986) for asbestos removal would not create an exception to the proviso requiring the facility to be self-supporting in that the debt service for the capital improvement bonds would be provided by the General Assembly in a separate appropriation. See, § 5, Act No. 1377 of 1968. However, it is a general rule of statutory interpretation that statutes on the same subject must be construed together so that effect is

¹ Of course, this requirement for a corresponding payment could be eliminated by the General Assembly if it were to amend the proviso to exclude the cost of asbestos abatement or removal as a cost which must be "fully covered" by the applicable student fee. If such an amendment were enacted, then no payments would need to be made from that special continuing account following the use of the bond proceeds.

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The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803 734 3680

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FEB 18 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987

NO. 9

STATE BUDGET & CONTROL BOARD

February 18, 1987

Jesse A. Coles, Jr., Ph.D.
Executive Director
State Budget and Control Board
P. O. Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

You have requested an opinion regarding the following question:

Is it proper legally for the Budget and Control Board, under the terms of Code Section 2-47-50 and in view of the provisions of Part I, Section 130, of Act 540 of 1986, to approve the establishment of any permanent improvement project which proposes to abate asbestos in or to remove asbestos from any dormitory facilities of any State institution of higher learning using capital improvement bond proceeds authorized in Act 538 of 1986 or in any other Act as the source of funds for such project?

It is our opinion that capital improvement bond proceeds may be used as the source of funds for such projects. However, the Board of Trustees for the appropriate institution of higher learning would most probably be required to adjust the student housing fee to reflect that additional expense and to make corresponding payments to the general fund or to give some other consideration in compensation for the financing thereby received.

As indicated in your letter, Part I, Section 130, of Act No. 540 of 1986 (1985-86 General Appropriations Act) provides that:

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Jesse A. Coles, Jr., Ph.D.
Page 2
February 18, 1987

[d]uring the Fiscal Year 1986-87, student fees at the State institutions of higher learning shall be fixed by the respective Boards of Trustees as follows:

(1) Fees applicable to student housing, dining halls, student health service, parking facility, laundries and all other personal subsistence expenses shall be sufficient to fully cover the total direct operating and capital expenses of providing such facilities and services over their expected useful life.

Another proviso in the current year's appropriations act requires that:

all such revenues or income so collected shall be carried in a special continuing account by the State Treasurer, to the credit of the respective institutions, and may be requisitioned by said institutions... and expended to fulfill the purpose for which such fees or income were levied, but no part of such income shall be used for permanent improvements without the express written approval of the State Budget and Control Board and the Joint Legislative Capital Bond Review Committee....

Part I, § 131, Act No. 540 of 1986. The General Assembly has routinely placed similar provisos in general appropriations acts in previous years. This Office has previously concluded that this proviso requires that student fees should be set so that the activity would "be self-supporting in total." A. G. Op. dated March 26, 1980. Therefore, so long as this proviso remains in effect, any financial arrangements regarding the "direct operation and capital expenses" for student housing must be structured on a self-supporting basis.

A question might be raised whether the cost of asbestos abatement or removal falls within the category of "direct operating and capital expenses" which must be included in the computation of the fee set by the board of trustees. We can find no basis to exclude such costs, even though they might be deemed extraordinary. A plain reading of the proviso requires that all such "direct" costs be included in the calculation. A direct cost is one that is proximate or immediate, and not remote. Southeast Milk Sales v. Swaringen, 290 F. Supp. 292, 304 (M.D.N.C. 1968). It would appear, therefore, that the General Assembly intended that costs such as these be included in the calculation setting the fee which would make that activity self-supporting.

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EXHIBIT

Jesse A. Coles, Jr., Ph.D.
Page 3
February 18, 1987

FEB 19 1987 NO. 9

STATE BUDGET & CONTROL BOARD

Your specific question was whether capital improvement bond proceeds may be used for such an asbestos abatement project. The proviso at issue here is silent as to how a State institution of higher learning should finance any particular capital expense which it might incur for student housing or other such personal subsistence services. Specifically, there is no limitation that an institution use only revenue bond financing. Although we are advised that revenue bond financing is frequently used in this situation, nonetheless the General Assembly has also on occasion provided for the issuance of capital improvement bonds to fund certain capital expenditures for such facilities. [See e.g., Craig Union Cafeteria renovation and expansion for College of Charleston, § 1(6), Act No. 538 of 1986 (vetoed by Governor); cafeteria expansion for Francis Marion College, Part I, § 1(6), Act No. 194 of 1979.] There can be no dispute that such an expenditure would serve a valid public purpose. See, Hunt v. McNair, 255 S.C. 71, 177 S.E.2d 362 (1970), vacated on other grounds and remanded, 403 U.S. 945 (1971). For these reasons we would advise that capital improvement bond proceeds may lawfully be used for an asbestos abatement project approved by the Budget and Control Board pursuant to the authority granted it in § 2-47-50, S. C. CODE, 1976 (as amended).

We would advise further that, if general obligation bond proceeds are used to finance capital expenses for such facilities, the proviso at issue here, Part I, Section 130, Act 540 of 1986, would most probably require that the institution pay some consideration from its special continuing account for student housing fees in an amount which would be appropriate in light of the financing thereby extended.¹ A question might be asked as to whether the authorization of general obligation bond financing in the Capital Improvement Bond Act (Act 538 of 1986) for asbestos removal would not create an exception to the proviso requiring the facility to be self-supporting in that the debt service for the capital improvement bonds would be provided by the General Assembly in a separate appropriation. See, § 5, Act No. 1377 of 1968. However, it is a general rule of statutory interpretation that statutes on the same subject must be construed together so that effect is

¹ Of course, this requirement for a corresponding payment could be eliminated by the General Assembly if it were to amend the proviso to exclude the cost of asbestos abatement or removal as a cost which must be "fully covered" by the applicable student fee. If such an amendment were enacted, then no payments would need to be made from that special continuing account following the use of the bond proceeds.

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Jesse A. Coles, Jr., Ph.D.

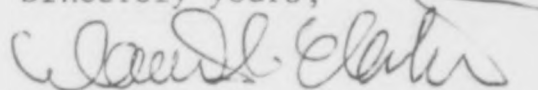
Page 4

February 18, 1987

given, if possible, to every provision in all of them.
§ 51.02, SUTHERLAND, STATUTORY CONSTRUCTION. These separate statutory provisions may be construed together by permitting the use of the capital improvement bond proceeds authorized in § 1(3) of Act No. 538 for asbestos removal in a dormitory, provided that the institution makes appropriate payment as required by Part I, § 130 of Act No. 540 of 1986. It should be noted further that this specific project is not identified by name in the Capital Improvement Bond Act. No opinion is expressed as to the effect which would result if a project had been specifically so identified by name. Given the language of this Capital Improvement Bond Act, it would appear that appropriate payments are required by the proviso.

This opinion does not address the mechanics as to how such payments would be effected from the institution involved. It is intended only to advise that there is no legal prohibition on the use of properly authorized capital improvement bond proceeds to abate asbestos in or to remove asbestos from any dormitory facilities of any State institution of higher learning, provided that appropriate financial arrangements are made with that State institution receiving the funds as mandated by the current proviso.

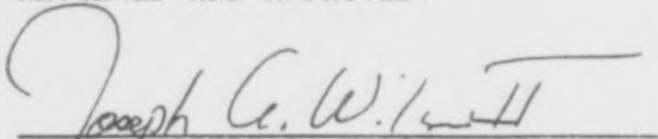
Sincerely yours,



David C. Eckstrom
Assistant Attorney General

DCE/shb

REVIEWED AND APPROVED:



JOSEPH A. WILSON, II
CHIEF DEPUTY ATTORNEY GENERAL

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UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S. C. 29208

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FEB 19 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

PRESIDENT

February 18, 1986

EXHIBIT

FEB 19 1987

NO. 9

STATE BUDGET & CONTROL BOARD

The Honorable Jesse A. Coles, Jr.
Executive Director
S.C. Budget and Control Board
P.O. Box 12444
Wade Hampton Office Building, 6th Floor
Columbia, SC 29211

Dear Jesse:

The University of South Carolina has great concern that the decision regarding potential use of CIB funding for Asbestos Abatement may be influenced by what the University considers a misperception of institutional fund balances and subsequent use thereof. The University request is merely that the issue be decided on its own merits. The essential merits in the University's view consist of Legislative intent and consistent and equitable application of student fees.

The Legislature appropriated out of 84-85 surplus funds 3.5 million for the University of South Carolina to be used for Asbestos Abatement which included the Columbia Hall project. In addressing a funding shortage, the Budget and Control Board removed this funding. In the past Legislative Session, the Legislature approved 8.2 million dollars (CIB) for Asbestos Abatement to cover most immediate and pressing State needs. Based upon recommendations by the Asbestos Task Force, December action of the Joint Bond Review Committee recommended 1.2 million of these funds be applied from CIB proceeds for Asbestos Abatement in Columbia Hall. The Joint Bond Review Committee again confirmed this action in January. It is the University's contention that the Legislature has clearly expressed its intent regarding the use of appropriated funds and/or CIB proceeds. As additional information, the Legislature has in the past appropriated funds for extraordinary circumstances involving student housing. Winthrop College was appropriated funds by the Legislature for housing services during their period of transition from a Woman's College to a Coeducational Institution. This situation created an extraordinary enrollment hardship on that college. Specific circumstances differ, but an extraordinary condition is created by both sets of circumstances which the Legislature felt were appropriate to address with State funds.

The Board of Trustees of the University of South Carolina establishes student housing fees at a level that provides resources for meeting current operating obligations and resources for normal long term maintenance and normal renovation requirements. The University submits that the environmental hazard created by asbestos in a residential facility can only be classified

EXHIBIT

The Honorable Jesse A. Coles, Jr.
Page 2
February 18, 1987

FEB 19 1987 NO. 9

STATE BUDGET & CONTROL BOARD

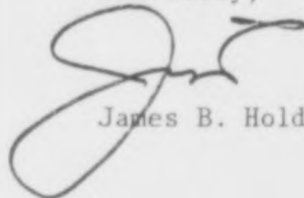
as a catastrophe and further can in no manner be classified as normal or consistent with the intended use of student housing fees. The University hastens to add that the current balance is far short of regular programmed need.

The facility in question was constructed in good faith within the guidelines of building codes existing at that time. A requirement to use at this time funds earmarked for normal long term maintenance and renovation requirements would effectively pass along to students an extraordinary and unfair burden. The University recognizes the necessity to pass along normal and fair charges to its students, however contends that this catastrophic environmental hazard is definitely extraordinary.

The University further recognizes its position as a forerunner in the identification and proposed abatement of asbestos hazards. Other higher education institutions have similar problems. You will find that the University's situation and proposed solution is not unique in this regard.

In anticipation of a favorable ruling from the Attorney General, the University urges Board action consistent with this opinion, prior Legislative action and recommendations of the Joint Bond Review Committee.

Sincerely,



James B. Holderman

JBH/tdt

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State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., 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
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

EXHIBIT

January 30, 1987

FEB 19 1987 NO. 9

STATE BUDGET & CONTROL BOARD

Mr. Joseph A. Wilson, II
Chief Deputy Attorney General
Office of the Attorney General
Dennis Building
Columbia, SC 29201

Dear Joe:

Part I, Section 130, of Act 540 of 1986 (the 1986-87 Appropriations Act, at page 4841 in Acts and Joint Resolutions, South Carolina, 1986) reads, in part, as follows:

During the Fiscal Year 1986-87, student fees at the State institutions of higher learning shall be fixed by the respective Boards of Trustees as follows:

(1) Fees applicable to student housing, dining halls, student health service, parking facility, laundries and all other personal subsistence expenses shall be sufficient to fully cover the total direct operating and capital expenses of providing such facilities and services over their expected useful life....

In Act 538 of 1986, Section 1, item 3 (at page 3430 in Acts and Joint Resolutions, South Carolina, 1986), \$8,200,000 of capital improvement bonds are authorized for the Budget and Control Board for "General Services-Asbestos Removal." Two provisos which follow the item also contain expressions relating to the removal or abatement of asbestos.

The Joint Bond Review Committee, on January 7, 1987, allocated a portion of the referenced \$8,200,000 of capital improvement bond funds to certain projects which are to abate asbestos in dormitory facilities. In particular, \$1,200,000 was allocated to the University of South Carolina-Columbia Hall (dormitory) asbestos removal project and \$1,000,000 was allocated to a Clemson University dormitory asbestos removal project.

009239

Mr. Joseph A. Wilson, II

Page 2

January 30, 1987

The Budget and Control Board has been asked to approve the establishment of the USC-Columbia Hall asbestos removal project with a budget of \$1,200,000 and with capital improvement bond funds from the authorization in Act 538 of 1986 proposed as the source of funds for the project. A request to establish the Clemson project is expected soon.

I would appreciate having as soon as is possible the opinion of your Office on the following question:

Is it proper legally for the Budget and Control Board, under the terms of Code Section 2-47-50 and in view of the provisions of Part I, Section 130, of Act 540 of 1986, to approve the establishment of any permanent improvement project which proposes to abate asbestos in or to remove asbestos from any dormitory facilities of any State institution of higher learning using capital improvement bond proceeds authorized in Act 538 of 1986 or in any other Act as the source of funds for such project?

Sincerely,



Jesse A. Coles, Jr., Ph.D.

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EXHIBIT

FEB 19 1987

NO. 9

STATE BUDGET & CONTROL BOARD

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remittance and transfers of funds to the General Fund of the State required by law.

SEC. 130. During the Fiscal Year 1986-87, student fees at the State institutions of higher learning shall be fixed by the respective Boards of Trustees as follows:

(1) Fees applicable to student housing, dining halls, student health service, parking facility, laundries and all other personal subsistence expenses shall be sufficient to fully cover the total direct operating and capital expenses of providing such facilities and services over their expected useful life.

(2) Student Activity Fees may be fixed at such rates as the respective Boards shall deem reasonable and necessary.

SEC. 131. The University of South Carolina, Clemson University, the Medical University of S. C. (including the Medical University Hospital), The Citadel, Winthrop College, S. C. State College, Francis Marion College, College of Charleston, Lander College and the Wil Lou Gray Opportunity School shall remit all revenues and income, collected at the respective institutions, to the State Treasurer according to the terms of Section 1 of this Act, but all such revenues or income so collected, except fees received as regular term tuition, matriculation, and registration, shall be carried in a special continuing account by the State Treasurer, to the credit of the respective institutions, and may be requisitioned by said institutions, in the manner prescribed in Section 129 of this Act, and expended to fulfill

ACT 538 OF 1986 (the big bond act)

Committee to schedule authorizations

SECTION 3. The Joint Bond Review Committee shall schedule the authorizations as provided in Section 1 of this act into the statewide capital improvements priority schedule it has previously adopted.

ACT 540 OF 1986 (Appropriations Act, Part I, Section 122)

Provided, Further, That the Budget and Control Board, after review of the Joint Bond Review Committee, is hereby authorized and directed to regulate the starting date of the various projects approved for funding through the issuance of Capital Improvement Bonds so as to insure that the appropriations for debt service on such bonds, as provided in this Section, shall be sufficient during Fiscal Year 1986-87.

ACT 547 OF 1986 (prison bond act)

Conditions of authorization

SECTION 3. No project authorized in whole or in part for capital improvement bond funding under the provisions of Act 1377 of 1968, as amended, may be implemented until funds can be made available and until the Joint Bond Review Committee, in consultation with the Budget and Control Board, establishes priorities for the funding of the projects. The Joint Bond Review Committee shall report its priorities to the members of the General Assembly within thirty days of the establishment of the funding priorities.

009242

OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE POWERS OF THE FAMILY FARM DEVELOPMENT AUTHORITY, SO AS TO AUTHORIZE THE AUTHORITY TO SPONSOR OR PARTICIPATE IN PROGRAMS WITH OTHER ENTITIES WHICH MAY BE EMPOWERED TO MAKE LOANS TO FAMILIES OF THE BENEFICIARY CLASS AND PARTICIPATE IN AND COOPERATE WITH ANY PROGRAM OF ANOTHER AGENCY OF THE STATE OR A POLITICAL SUBDIVISION IN THE ADMINISTRATION OF ANY OF THE PROGRAMS AUTHORIZED BY OR THE EXERCISE OF ANY OF THE POWERS GRANTED BY CHAPTER 47 OF TITLE 46; AND TO AMEND SECTION 46-47-20, AS AMENDED, RELATING TO THE DEFINITIONS USED IN THE FAMILY FARM DEVELOPMENT AUTHORITY ACT, SO AS TO CHANGE THE DEFINITION OF "FARMERS AND FARM FAMILIES OF LOW AND MODERATE INCOME" BY INCREASING FROM ONE HUNDRED TWENTY-FIVE TO ONE HUNDRED FIFTY THE PERCENTAGE OF THE MEDIAN GROSS INCOME OF ALL FAMILIES IN THIS STATE ABOVE WHICH A PERSON WOULD NOT QUALIFY UNDER THIS DEFINITION.

Be it enacted by the General Assembly of the State of South Carolina:

Capital improvement bonds authorized

SECTION 1. Item (f) of Section 3 of Act 1377 of 1968, as last amended by Section 1 of Part V of Act 201 of 1985, is further amended by adding:

1) South Carolina Law Enforcement Division

1. Criminalistic lab/equipment	\$9,700,000
* 2. Renovations	300,000
TOTAL, SLED	\$9,700,000

**2) Adjutant General's Office

1. Armory improvements	500,000
2. Major Renovations to Armories	357,750
TOTAL, Adjutant General	\$857,750

** Provided, that the funds authorized above for "armory improvements" are allocated to specific projects and then scheduled in the statewide capital improvement priority groups by the Joint Bond Review Committee.

Provided, further, that the issuance of bonds for Major Renovations to Armories provided for

in this subitem is conditioned upon the State receiving matching federal funds in the amount of \$478,250.

3) Budget and Control Board

1. Calhoun Building Renovations	\$6,087,000
* 2. Parking garage	4,500,000
* 3. Brown Building Renovations	300,000
* 4. Robert Mills Building parking/fixtures	600,000
5. Contingency Fund Restoration	667,000
6. General Services-Asbestos Removal	8,200,000
TOTAL, Budget and Control Board	\$14,954,000

Provided, that the Budget and Control Board is authorized to finance the Calhoun/general renovations with \$124,635 of renovation reserve funds.

Provided, further, that the Budget and Control Board is authorized to finance the Columbia area microwave tower and network project with \$1,822,400 of telephone revenues.

Provided, further, that any asbestos identified in State-owned buildings requiring emergency removal may be funded from the respective agency's capital improvement funds as authorized in this act.

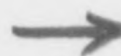
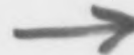
Provided, further, the agency may request both the Joint Bond Review Committee and the Budget and Control Board to reallocate funding of specific capital improvement projects for immediate funding of emergency asbestos abatement.

4) The Citadel

** 1. Alumni Hall renovate or replace	\$4,566,000
2. Deas Hall Energy Conservation	265,000
** 3. McAlister Field House Conversion & Renovation	4,252,789
TOTAL, Citadel	\$9,083,789

The Citadel is authorized to finance the following projects from gifts: \$1,204,000 for Vandiver Hall; \$3,534,000 for the Mark Clark Hall renovation and addition; and \$120,000 for the Indian Hill landscaping.

ACT
538 OF
1986



STATE BUDGET & CONTROL BOARD

FEB 19 1987 NO. 9

EXHIBIT

009243

EXHIBIT

FEB 19 1987

NO. 10

STATE BUDGET AND CONTROL BOARD
MEETING OF February 19, 1987

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

7

AGENCY: Division of General Services

SUBJECT: Asbestos Survey Project

At its February 17 meeting, the Joint Bond Review Committee agreed to make available immediately \$1,200,000 of capital improvement bond funds to finance the survey of asbestos in State-owned buildings. The funds would be used to finance about a year of detailed survey work which would be focused on the Priority 1 situations identified by the Board's Asbestos Task Force. The training and DHEC lab work proposed by the Task Force are not to be financed from these monies.

The Board is asked to concur in the immediate release of these funds as a new start project in Priority Group 10 (for expenditure in the January-June 1987, period). Trailing draws of these funds likely will appear in Priority Group 11 (July-December 1987) and Priority Group 12 (January-June 1988).

The Board also is asked to approve the establishment of the \$1.2 million asbestos survey project.

BOARD ACTION REQUESTED:

Provide consultation to Bond Committee by agreeing to the release of \$1,200,000 of capital improvement bond funds for the asbestos survey project as a new start project in Priority Group 10 and approve establishment of that permanent improvement project.

ATTACHMENTS:

A13 form on asbestos survey project.

009244

For Board Use Only

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR_____

1. PROJECT IDENTIFIERS:

A. Agency: Number F12 Name General Services
B. Contact Person Richard W. Kelly Phone: 737-2150
C. Project Name: Statewide Asbestos Priority Identification Survey
D. Facility Affected: Name Statewide Number _____

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Funds provided to survey State owned buildings statewide (exclusive of Univ. of S.C., Clemson and Med. Univ. and other agencies who have already conducted detail surveys) to identify high priority Asbestos Abatement needs. General Services will utilize State employees where possible and will contract with the David & Floyd firm of Greenwood, S.C.
Site Description: (Attach a map showing project location)

Location: _____
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

Budget and Control Board and the General Assembly (thru Joint Bond Review Committee) have recognized the serious need to identify and prioritize Asbestos Abatement needs.

EXHIBIT

(What specific needs does this project address?):

FEB 19 1987 NO. 10

STATE BUDGET & CONTROL BOARD

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

N/A

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 _____ No _____ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 1,200,000

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) _____ Purchase of facilities: (Floor space, gross sq. ft.: _____)

(10) 1,200,000 Other (Specify) Land, acres: _____ survey work through A & E Firm

\$ 1,200,000 Total (Same as 7 A)

009245

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 1,200,000
(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>survey facilities</u>	\$ <u>1,200,000</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

- A. Estimated expenditures and expenditure purposes, this FY: _____ \$ 1,200,000 *
(Expenditure purposes (use 7B categories): * 12 month need to identify High Priority Asbestos Abatement needs.)
- B. Estimated expenditures after this FY: _____ \$ _____
- C. Total (Same as 7A, 7B and 7C): _____ \$ 1,200,000

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds Revision to Priority Group 10 <u>Release Sch. Appr. JBRC 2/17/87</u>	\$ 1,200,000	8115	028090	3043	9001	0700
(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)	\$ 1,200,000					

EXHIBIT

FEB 19 1987

NO. 10

STATE BUDGET & CONTROL BOARD

10. Submitted By:

Authorized Official: _____ Date Submitted Feb. 17, 1987
Typed Name and Title and Signature
Richard W. Kelly, Director FY Submitted 198687

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature _____ Date 009246
PROJECT NUMBER _____
PROJECT NAME: _____

EXHIBIT

FEB 19 1987

NO. 11

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

8

AGENCY: University of South Carolina

SUBJECT: \$7,800,000 Athletic Facilities Revenue Bond Anticipation Notes

Bond counsel for the University of South Carolina advises of a request by the University of South Carolina to issue \$7,800,000 of its Athletic Facilities Revenue Bond Anticipation Notes. The resolution proposed for adoption by the Board indicates that \$6,300,000 of these proceeds and \$700,000 from reserve funds would be used to pay the \$7,000,000 of notes which mature March 12, 1987, and that \$1,500,000 of these proceeds would be used to make certain improvements to the University's Athletic Facilities.

Bond counsel also notes that the Board in 1981 approved the issuance of not exceeding \$12 million of Stadium Improvement Revenue Bonds (pursuant to Act 518 of 1980 which was amended by Act 545 of 1986 to authorize Athletic Facilities Revenue Bonds). Against that authorization, USC issued \$10 million of Anticipation Notes in 1982 of which \$3 million have since been retired.

BOARD ACTION REQUESTED:

Adopt a resolution approving the issuance of \$7,800,000 USC Athletic Facilities Revenue Bond Anticipation Notes.

ATTACHMENTS:

Proposed Resolution.

009247

EXHIBIT

FEB 19 1987

NO. 11

STATE OF SOUTH CAROLINA)

USC Athletic Facilities

STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND)

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, Carroll A. Campbell, Jr., Governor and
Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate
Finance Committee; and

The Honorable Robert N. McLellan, 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 9:15 a.m. on Thursday, February 19, 1987, 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.

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

AGAINST MOTION

5

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.

February 19, 1987

William A. McInnis

009248

A RESOLUTION

APPROVING THE ISSUANCE OF SEVEN MILLION
EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000) AGGREGATE PRINCIPAL AMOUNT
OF BOND ANTICIPATION NOTES, SERIES OF
1987, OF THE UNIVERSITY OF SOUTH CAROLINA
PURSUANT TO THE PROVISIONS OF TITLE 11,
CHAPTER 17, CODE OF LAWS OF SOUTH
CAROLINA, 1976, AS AMENDED.

EXHIBIT

FEB 19 1987 NO. 11

STATE BUDGET & CONTROL BOARD

WHEREAS, the Board of Trustees (the "Board") of the University of South Carolina (the "University") is authorized pursuant to the provisions of Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as amended ("Act No. 518"), to issue from time to time not exceeding Twenty Million Dollars (\$20,000,000) of special obligation bonds for the purpose of constructing Athletic Facilities, as defined in Act No. 518; and

WHEREAS, the Budget and Control Board of the State of South Carolina (the "Budget and Control Board"), on September 25, 1981, approved the issuance of not exceeding \$12,000,000 Stadium Improvement Revenue Bonds pursuant to the provisions of Act No. 518 (the "Bonds"); and

WHEREAS, the Board of the University on March 13, 1986, issued \$7,000,000 University of South Carolina Stadium Improvement Revenue Bond Anticipation Notes, Series of 1986, maturing March 12, 1987 (the "Series 1986 BANs"); and

WHEREAS, the Board of the University has determined that it is in its interest to authorize the issuance of Seven Million Eight Hundred Thousand Dollars (\$7,800,000) Athletic

009249

Facilities Revenue Bond Anticipation Notes (the "Notes") the proceeds of which will be used as follows: (i) \$6,300,000 to pay a portion of the principal of the \$7,000,000 Bond Anticipation Notes, Series of 1986, at maturity; and (ii) \$1,500,000 to make certain improvements to the University's Athletic Facilities;

NOW, THEREFORE, BE IT RESOLVED by the Budget and Control Board, as follows:

Section 1. The Notes are hereby authorized to be issued by the University in anticipation of the issuance of a like amount of Bonds pursuant to Act No. 518.

Section 2. The sale of the Notes at a rate of interest to be approved by the State Treasurer is hereby approved.

Section 3. This Resolution shall take effect immediately.

A RESOLUTION

APPROVING THE ISSUANCE OF SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$7,800,000) AGGREGATE PRINCIPAL AMOUNT OF BOND ANTICIPATION NOTES, SERIES OF 1987, OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO THE PROVISIONS OF TITLE 11, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the Board of Trustees (the "Board") of the University of South Carolina (the "University") is authorized pursuant to the provisions of Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as amended ("Act No. 518"), to issue from time to time not exceeding Twenty Million Dollars (\$20,000,000) of special obligation bonds for the purpose of constructing Athletic Facilities, as defined in Act No. 518; and

WHEREAS, the Budget and Control Board of the State of South Carolina (the "Budget and Control Board"), on September 25, 1981, approved the issuance of not exceeding \$12,000,000 Stadium Improvement Revenue Bonds pursuant to the provisions of Act No. 518 (the "Bonds"); and

WHEREAS, the Board of the University on March 13, 1986, issued \$7,000,000 University of South Carolina Stadium Improvement Revenue Bond Anticipation Notes, Series of 1986, maturing March 12, 1987 (the "Series 1986 BANs"); and

WHEREAS, the Board of the University has determined that it is in its interest to authorize the issuance of Seven Million Eight Hundred Thousand Dollars (\$7,800,000) ~~Stadium~~ ^{Athletic}

009251

Facilities

~~Improvement~~ Revenue Bond Anticipation Notes (the "Notes") the proceeds of which will be used (i) to pay the principal of the \$7,000,000 Bond Anticipation Notes, Series of 1986, at maturity; and (ii) and the remaining \$800,000 will be used to make certain improvements to the University's Athletic Facilities;

NOW, THEREFORE, BE IT RESOLVED by the Budget and Control Board, as follows:

Section 1. The Notes are hereby authorized to be issued by the University in anticipation of the issuance of a like amount of Bonds pursuant to Act No. 518.

Section 2. The sale of the Notes at a rate of interest to be approved by the State Treasurer is hereby approved.

Section 3. This Resolution shall take effect immediately.

009252

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800

FEB 13 1987
11:08 A.M.
LF

ROBERT E. MINAR
TERRELL L. GLEN
JAMES S. KONDURIS
D. WAYNE CORLEY
E. MALEDD SINGLETARY
CHARLES PORTER
ROBERT W. DIMBLE, JR.
EMORY M. SNEEDEN
STEPHEN KOPLAN*
RICHARD S. WOODS
RICHARD L. C. SULLIVAN
M. JOHN BOWEN, JR.
JOHN H. LUMPKIN, JR.
M. WILLIAM YOUNGBLOOD, JR.
JOHN W. CURRIE
BRETT DAWSON*
SCOTT E. BARNES
M. ELIZABETH CRUM
THEODORE J. HOPKINS, JR.
DANIEL B. MALEDD, JR.
WILLIAM S. ROSE, JR.
HUEL G. ADAMS, JR.

JAMES R. FIELDS, JR.
M. CRAIG GARNER, JR.
BRENTON D. JEFFCOAT
ROBERT T. BOCKMAN
EDWIN W. JOHNSON
PETER L. MURPHY
E. ALAN RAYMAN
JOHN W. FOSTER
ELIZABETH VAN DOREN GRAY
WILFRED B. WYNN
ARNE C. LUCAS
ROBERT E. STEIN
KATHLEEN CRUM MCKINNEY
E. RUSSELL JETER, JR.
WILLIAM MICHAEL HOUSE*
CARL S. CARRUTH
JOHN W. HUNTER*
J. WESLEY CRUM II
RICHARD J. MORGAN
J. SIMON FRASER
CHRISTOPHER MCG. HOLMES
DEBORAH K. DARN*

SARA S. ROGERS
DOROTHY M. HELMS
NANCY PAGE
SANDRA L. BANGSLEMAN
JANE W. TRINLEY
J. LYLES GLENN IV
CELESTE TULLER JONES
KATHERINE ELIZABETH MARS
JOSEPH D. WALKER
NANCY R. JEFFERS
ALISON RENEE LEE
MARSHA K. MCMILLIN
GREGORY D. DULOGACH
WILLIAM ASHLEY JORDAN, JR.
MICHAEL W. BEAL
DEBORAH ANN DAVIS
ELIZABETH BOWE ANDERS
WILLIAM M. MUSSEY
SHARON E. CRANLEY
T. MARION HUNTER
ROBERT E. McNAHAN, JR.

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 18TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

February 13, 1987

*NOT ADMITTED IN SOUTH CAROLINA

Mr. William A. McInnis
Executive Director of the
State Budget and Control Board
612 Wade Hampton Office Building
Columbia, SC 29211

Dear Mr. McInnis:

Pursuant to our telephone conversation yesterday, enclosed are three copies of a Resolution to be considered by the Budget and Control Board which authorizes the University of South Carolina to issue \$7,800,000 of Athletic Facilities Revenue Bonds at an interest rate to be approved by the State Treasurer.

I would appreciate your placing this on the agenda of the Budget and Control Board at its February 19, 1987 meeting.

I always appreciate your most capable assistance and should you have any questions, please call.

With warmest personal regards, I am

Sincerely,

Wayne
O. Wayne Corley

OWC/vm
Enclosures

EXHIBIT

FEB 19 1987

NO. 11

STATE BUDGET & CONTROL BOARD
009253

A RESOLUTION

APPROVING THE ISSUANCE OF SEVEN MILLION
EIGHT HUNDRED THOUSAND DOLLARS
(\$7,800,000) AGGREGATE PRINCIPAL AMOUNT
OF BOND ANTICIPATION NOTES, SERIES OF
1987, OF THE UNIVERSITY OF SOUTH CAROLINA
PURSUANT TO THE PROVISIONS OF TITLE 11,
CHAPTER 17, CODE OF LAWS OF SOUTH
CAROLINA, 1976, AS AMENDED.

EXHIBIT

FEB 19 1987 NO. 11

STATE OF SOUTH CAROLINA BOARD

WHEREAS, the Board of Trustees (the "Board") of the University of South Carolina (the "University") is authorized pursuant to the provisions of Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as amended ("Act No. 518"), to issue from time to time not exceeding Twenty Million Dollars (\$20,000,000) of special obligation bonds for the purpose of constructing Athletic Facilities, as defined in Act No. 518; and

WHEREAS, the Budget and Control Board of the State of South Carolina (the "Budget and Control Board"), on September 25, 1981, approved the issuance of not exceeding \$12,000,000 Stadium Improvement Revenue Bonds pursuant to the provisions of Act No. 518 (the "Bonds"); and

WHEREAS, the Board of the University on March 13, 1986, issued \$7,000,000 University of South Carolina Stadium Improvement Revenue Bond Anticipation Notes, Series of 1986, maturing March 12, 1987 (the "Series 1986 BANs"); and

WHEREAS, the Board of the University has determined that it is in its interest to authorize the issuance of Seven Million Eight Hundred Thousand Dollars (\$7,800,000) Stadium

009254

Improvement Revenue Bond Anticipation Notes (the "Notes") the proceeds of which will be used (i) to pay the principal of the \$7,000,000 Bond Anticipation Notes, Series of 1986, at maturity; and (ii) and the remaining \$800,000 will be used to make certain improvements to the University's Athletic Facilities;

NOW, THEREFORE, BE IT RESOLVED by the Budget and Control Board, as follows:

Section 1. The Notes are hereby authorized to be issued by the University in anticipation of the issuance of a like amount of Bonds pursuant to Act No. 518.

Section 2. The sale of the Notes at a rate of interest to be approved by the State Treasurer is hereby approved.

Section 3. This Resolution shall take effect immediately.

EXHIBIT

FEB 19 1987 NO. 11

STATE BUDGET & CONTROL BOARD

009255

EXHIBIT

FEB 19 1987

NO. 12

STATE BUDGET AND CONTROL BOARD REGULAR SESSION
MEETING OF FEBRUARY 19, 1987 ITEM NUMBER

9

AGENCY: Division of General Services

SUBJECT: Leased Spartanburg Property Purchase (Employment Security Commission)

The Division advises that the Employment Security Commission proposes to purchase the 7,440 square foot building and the 2.101-acre site on which it is located it now leases (under a 10-year lease approved by the Board in December 1985). The Commission proposes to pay \$500,000 for the facility which has been appraised at \$600,000 by Mr. James H. Robinson, MAI. Property Management Director Jack Sprott has estimated the cost of the building and land involved at \$479,557 which he suggests may be conservative. Using the income approach, Mr. Sprott estimates the property value at \$510,000.

The Board on September 23, 1986, released the \$500,000 of capital improvement bond funds authorized in 1986 for an Employment Security office building in Spartanburg. That action also approved a permanent improvement project (#9288) which was described as including the purchase of land and the construction of a new office building containing 7,500 square feet of space. If the Board approves this request, the change from constructing a new office building to buying one probably should be subject to the Bond Committee's review.

BOARD ACTION REQUESTED:

Approve the purchase of 2.101 acres of land and the 7,440 square foot office building located thereon in Spartanburg County by the Employment Security Commission from Pulliam Development Company for \$500,000, using capital improvement bond funds as the source of funds, on the condition that this revised description of project 9288 is reviewed by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet; David October 23, 1986, letter to Sprott; A13 form on project 9288 approved September 23, 1986; Sprott November 21, 1986, memo to Kelly; Little and Robinson February 13, 1986 letter to Pulliam.

009256

FEB 13 1987

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

For meeting scheduled for:

February 19, 1987

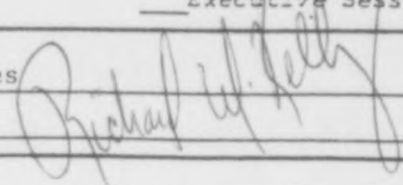
Blue Agenda

X Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: 

2. Subject:

Purchase of Leased Property in Spartanburg for Employment Security Commission

3. Summary Background Information:

1. Due to a critical space need, the Budget and Control Board authorized a ten year lease of a new office building in Spartanburg on December 17, 1985.
2. The 1986 Bond Bill included funds for the purchase of eighteen local Employment Security Offices. A Permanent Improvement Project for this office was approved on September 23, 1986.
3. The Owner, Pulliam Investment Company, has offered to sell the property for \$500,000.00. A review appraisal was conducted by Property Management and the sales price was judged to be fair market value.

EXHIBIT

FEB 19 1987

NO. 12

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Approve the purchase

5. What is recommendation of the Board Division involved?

Approve the purchase

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. Letter to Jack Sprott dated October 23, 1986
2. Form A-13 Project #9288
3. Appraisal letter dated February 13, 1986
4. Review appraisal by Jack Sprott

Real Estate Lease dated February 20, 1986

009257

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number R60 Name S. C. Employment Security Commission
B. Contact Person C. Michael Mungo Phone: 737-2560
C. Project Name: Spartanburg Employment Security Office Building # 9288
D. Facility Affected: Name _____ Number _____

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Purchase of land and construction of a new office building containing 7,500 square feet of space.

Site Description: (Attach a map showing project location)

Location: Spartanburg 42 Spartanburg
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

To relieve overcrowded conditions and to consolidate the Unemployment Insurance Field Service operations with the UI Claimstaking activities in one building. Also, to house our staff in a state-owned building.

(What specific needs does this project address?):

It will provide adequate space for our UI claims office and for the consolidation of the UI Field Service staff in one building. These two units are now in separate leased buildings. Adequate space plus better coordination will improve employee efficiency.

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

Consideration was given to adding on to our agency-owned ES building, but sufficient land is not available to accomodate an addition large enough to meet our needs.

5. PRIORITY: This project is priority number 3 of 10 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:

EXHIBIT

A. Total estimated cost of project \$ 500,000

FEB 19 1987

NO. 12

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ 22,000 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) 421,000 Construction of new floor space: (Gross sq. ft.: 7,500)
(8) _____ Equipment/supplies
(9) 50,000 Purchase of facilities: (Floor space, gross sq. ft.: _____)
(Land, acres: _____)
(10) 7,000 Other (Specify) _____

\$ 500,000 Total (Same as 7 A)

STATE BUDGET & CONTROL BOARD

009258

7. C. Total estimated cost of object by broad purpose: Total cost: \$ 500,000
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>50,000</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct <u>new</u> facility	\$ <u>421,000</u>	8. Other: <u>Design</u>	\$ <u>22,000</u>
		<u>Contingencies</u>	\$ <u>7,000</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 87 \$ 500,000
(Expenditure purposes (use 7B categories): _____)

B. Estimated expenditures after this FY: \$ _____

C. Total (Same as 7A, 7B and 7C): \$ 500,000

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ 500,000	8115	02807300	3043		
(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) :	\$ 500,000					

10. Submitted By:

Authorized Official: Robert E. David Executive Director Date Submitted 9/30/86
Typed Name and Title and Signature FY Submitted 86-87

11. APPROVED (For Board Use Only):

Priority Group 9
9/23/86

William A. McInnis
Typed Name and Title and Signature

WILLIAM A. MCINNIS
Deputy Executive Director

SEP 23 1986

PROJECT NUMBER: _____
PROJECT NAME: _____

Date
009259

MEMORANDUM

TO: Richard W. Kelly
FROM: Jack C. Sprott
SUBJECT: Employment Security Land and Building in Spartanburg
DATE: November 21, 1986



EXHIBIT

FEB 19 1987 NO. 12

STATE BUDGET & CONTROL BOARD

In a nutshell, I don't really have a problem with a sales price of \$500,000 for the Employment Security Building in Spartanburg.

The land value of \$119,000 seems to be a good indication of land values in that section of town.

My estimate of the cost of the building and land from the Marshall and Swift Company is attached to this memo. It shows a total cost estimate of \$360,557 new for the building for a total of \$479,557 for land and building. This may be conservative since I did not make an in-depth survey of all of the construction components. It also is close to what Mr. Pulliam actually paid to construct the building which was \$404,000.

There were very few sales of office buildings in the Spartanburg area in which to make a comparison but the latest sales of older buildings indicate a value for land and buildings of around \$60.00 per square foot. I would estimate that a newer building would sell for approximately \$65.00 per square foot which would indicate a value for this building of \$483,600.

The best indication of value would be the income approach. Most of the comparable buildings in this area rent for approximately \$11.50 per square foot gross or \$8.50 per square foot net. The original appraisal of this property (which gave a value of \$600,000) estimates a market rent of \$7.00 to \$8.00 per square foot net for this property and valued it according to what he was told would be the lease payment amounts. However, the actual lease payments indicated by the Employment Security lease show a gross lease of \$9.88 per square foot or \$6.88 net.

I capitalized this rent using the same mortgage-equity approach used by Mr. Robinson in his appraisal but I used a 10% interest rate for 30 years and assumed a 5 year holding period.

My value estimate based on these figures was \$555,537 but realistically if actual market generated overall rates were available they would probably tend to average around the magic 10% figure which would indicate a value of \$510,000.

009260

COST ESTIMATE FOR: SC DIVISION OF GENERAL SERVICES
 PROPERTY OWNER: PULLIAM DEVELOPMENT COMPANY
 ADDRESS: S. CHURCH AND HAMPTON, SPARTANBURG SC
 SURVEYED BY: JACK C. SPROTT, CAE
 DATE OF SURVEY: 11-14-86

DESCRIPTION:

OCCUPANCY: OFFICE BUILDING
 FLOOR AREA: 7,440 Square Feet
 CLASS: D Frame
 COST RANK: 2.0 Average
 NUMBER OF STORIES: 1.0
 AVERAGE STORY HEIGHT: 11.0 Feet
 EFFECTIVE AGE: 0 Years
 CONDITION: 6.0 Excellent
 COST AS OF: 11/86

EXTERIOR WALL:
 Brick Veneer..... 100%
 HEATING AND COOLING:
 Heat Pump..... 100%

	UNITS	COST	TOTAL
BASIC STRUCTURE COST:	7,440	34.23	254,652
EXTRAS:			
Paving, Asphalt.....	78,500	1.21	94,985
Parking Lot Lighting.....	91,000	0.12	10,920
REPLACEMENT COST NEW.....			360,557
Estimated Land Value.....			119,000
INDICATED VALUE BY COST APPROACH:			479,557

Cost Data by MARSHALL and SWIFT

EXHIBIT

FEB 19 1987 NO. 1 2

STATE BUDGET & CONTROL BOARD

South Carolina

Employment Security Commission



COMMISSION

Cecil T. Sandifer, Chairman
Frank E. Baldwin, Jr., Vice-Chairman
C. Lem Harper, Commissioner

1550 Gadsden Street
P.O. Box 995
Columbia, S.C. 29202

EXECUTIVE DIRECTOR

Robert E. "Jack" David

October 23, 1986

EXHIBIT

FEB 19 1987

NO. 12

STATE BUDGET & CONTROL BOARD

Mr. Jack Sprott
Property Management
Division of General Services
300 Gervais Street
Columbia, South Carolina 29201

Dear Mr. Sprott:

I'm writing in reference to the facility recently occupied for our Unemployment Insurance operations in Spartanburg.

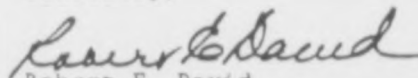
As you know, the Employment Security Commission has been actively pursuing a building program which would allow us to own all the buildings used by this Commission. A number of facilities were purchased during the 1960's using federal funds made available under the Reed Act. In recent years, it has been necessary to finance these acquisitions through Capital Improvement Bonds, the 1973 Bill for the administrative office and the 1986 Bill for eighteen local offices, with the actual payback of the bonds coming from federal funds. Since all the actual payback of the bonds coming from federal funds. Since all of our offices not presently owned are a part of this plan, the overall Bond Bill included funds for the building and/or purchase of a facility in Spartanburg. However, a critical space need in Spartanburg required us to locate a suitable facility prior to the passage of the Bond Bill.

With the recent passage of the Bond Bill, which would make it possible to proceed with the purchase of the remaining buildings, we have determined that the owner would be willing to sell us the above property for the price of \$500,000 in lieu of continuing our present lease agreement.

Since this would be to the advantage of the State and in keeping with our overall approved plan, we are requesting approval to purchase the Spartanburg property.

Should you have any questions, please feel free to contact me.

Sincerely,



Robert E. David
Executive Director

tph
ADM-9

009262

ROBINSON
EAST WASHINGTON STREET • GREENVILLE, SOUTH CAROLINA 29601 • TELEPHONE 803-233-6277

ROBINSON COMPANY OF GREENVILLE, INC.

February 13, 1986

Mr. Norman E. Pulliam
Pulliam Investment Company
812 E. Main St.
Spartanburg, S.C. 29302

Dear Mr. Pulliam:

At your request, I have made a real estate appraisal of the land and proposed improvements located on the southwest corner of South Church Street and Hampton Avenue in Spartanburg, S.C. The property, shown on a survey by Neil Phillips, Professional Land Surveyor, as Tract A, consists of 2.101 acres of land and is to be improved with a one-story office building having 7,440 square feet.

I have considered pertinent data affecting the valuation, including location, demand, highest and best use, type and condition of improvements, sales of comparable properties, rents of similar buildings, and the trends and business conditions in the area. It is therefore my opinion that the fair market value of the subject property as of February 13, 1986, is:

SIX HUNDRED THOUSAND DOLLARS
(\$600,000.)

The valuation is of fee simple title ownership, assuming no indebtedness against the property which cannot be satisfied without penalty. This appraisal is made subject to the conditions and comments appearing herein.

I certify that I have no financial interest in the subject property, present or contemplated, and that my employment is in no way contingent upon the value reported.

I appreciate the opportunity of making this appraisal for you.

Yours very truly,

Patricia M. Little

Patricia M. Little, MREC

James H. Robinson

James H. Robinson, M.A.I.

EXHIBIT

FEB 19 1987

NO. 12

STATE BUDGET & CONTROL BOARD

009263

EXHIBIT

FEB 19 1987

NO. 13

STATE BUDGET AND CONTROL BOARD
MEETING OF FEBRUARY 19, 1987

REGULAR SESSION

ITEM NUMBER

10

AGENCY: Division of General Services

SUBJECT: RFP for Office Automation System for Materials Management Office

The Division asks that the Board authorize it to issue a request for proposals instead of a request for bids for an office automation system to serve the Materials Management Office.

BOARD ACTION REQUESTED:

Authorize the Division of General Services to issue a request for proposals for an office automation system to serve the Materials Management Office.

ATTACHMENTS:

Agenda item worksheet plus attachments (MMO and IRM approval).

009264

FEB 13 1987

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

For meeting scheduled for:

Blue Agenda
☒ Regular Session Agenda
☐ Executive Session Agenda

February 19, 1987

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly

2. Subject:

Departmental Office Automation System for the Materials Management Office.

3. Summary Background Information:

The Division of General Services requests the approval of the Board to issue a Request For Proposal for a Departmental Office Automation System for the Materials Management Office. Justification and IT Planning approvals attached.

EXHIBIT

FEB 19 1987

NO. 13

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the issuance of a Request For Proposal

5. What is recommendation of the Board Division involved?

Recommend approval

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. Justification for competitive sealed Proposal MMO Software system.
2. Determination
3. IT Planning Approval

009265

EXHIBIT

FEB 19 1987

NO. 13

JUSTIFICATION FOR

STATE BUDGET & CONTROL BOARD

COMPETITIVE SEALED PROPOSAL

Based upon the following justification, the proposed procurement action described below is being procured pursuant to the authority of Section 11-35-1530(1) of the South Carolina Consolidated Procurement Code.

The proposed Request For Proposal for the Materials Management Office must interface with the Materials Management Software currently being developed and implemented on the NAS mainframe at the Division of Information Resource Management. The proposed system also involves the networking of the Materials Management Office and its three associated remote sites with a fully integrated office automation system providing all sites with full functionality.

The requested system will provide the hardware components necessary to operate the MMO software as well as the interface necessary to enhance the text entry and editing capabilities of the system. The office automation portion of the system will initially provide word processing, data processing, spreadsheet, DISOSS, and 327x communications with the capability to add calendaring, scheduling and graphics in the future.

Due to the complexity of the project and anticipation of various possible solutions, a Request For Proposal is justified.

1-13-87

DATE

MMO

GOVERNMENTAL BODY

Michael B. Smith
AUTHORIZED SIGNATURE

Supervisor Office Systems Procurement
TITLE

Distribution: Original retained in governmental body contract file.

MMO #104

009266

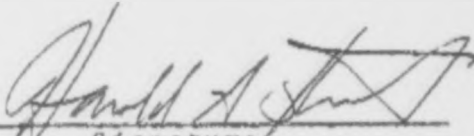
DETERMINATION

To Issue A Request For Proposal

Procurement: MMO-OA System Agency: Div. of General Services

Analyst: Michael B. Spicer Date: 1/14/87

In reviewing the requirements of this requested procurement, it is determined that it is technical, complex in nature and does not lend itself to formal competitive sealed bidding. CPC Rule 19-2095.


Signature

EXHIBIT

FEB 19 1987 NO. 13

STATE BUDGET & CONTROL BOARD

003267

State of South Carolina

GOV. RICHARD W. RILEY
CHAIRMAN

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

BUDGET AND CONTROL BOARD DIVISION OF RESEARCH & STATISTICAL SERVICES

BOBBY M. BOWERS, DIRECTOR
REMBERT C. DENNIS BUILDING
1000 ASSEMBLY ST. - ROOM 337
COLUMBIA, S.C. 29201
(803) 734-3793

REMBERT C. DENNIS
CH. SEN. FINANCE COMM.

THOMAS G. MANGUM
CH. HOUSE WAYS & MEANS COMM.

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

EXHIBIT

FEB 19 1987

NO. 13

STATE BUDGET & CONTROL BOARD

December 3, 1986

Mr. Harold A. Stewart
Information Technology
Management Officer
Dutch Plaza, Suite 150
800 Dutch Square Boulevard
Columbia, South Carolina 29210

Dear Mr. Stewart:

The Information Technology Planning Office has approved for the procurement process your request for an office automation system.

The approval of this request represents Planning Office concurrence with your statement of needs, and with the types and classes of equipment proposed to satisfy those needs. This is not an approval for any specific brand or model of equipment.

Based upon the intended use for the technology, we find that this request presents no conflict with existing State standards.

If we can be of any further assistance in this matter, please contact me.

Very truly yours,

Larry L. Huckabee

Larry L. Huckabee
Assistant Director

AFS/kg

ECONOMIC RESEARCH
WILLIAM C. GILLESPIE, PH.D.
(803) 734-3793

CHIEF ECONOMIST
BARBARA A. FEINN, PH.D.
(803) 734-3794

HEALTH, DEMOGRAPHIC & GEOGRAPHIC STATISTICS
WALTER P. BAILEY, M.P.H.
(803) 734-3818; (803) 734-3798

PROPERTY APPRAISALS
CHARLES B. CAMPBELL

FEB 11 1987 15:25

EXHIBIT

FEB 19 1987

NO. 14

STATE BUDGET AND CONTROL ~~STATE~~ BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF FEBRUARY 19, 1987

ITEM NUMBER

11

AGENCY: Division of General Services

SUBJECT: Procurement Re-certification (Vocational Rehabilitation)

The Division advises that it has audited the Vocational Rehabilitation Department's procurement system and recommends its certification within the parameters described in the audit report for the following limits for a period of three years:

Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment of \$15,000 per commitment.

All other procurements are to remain at \$2,500.

BOARD ACTION REQUESTED:

Grant procurement certification to the Vocational Rehabilitation Department as indicated.

ATTACHMENTS:

Agenda item worksheet; referenced audit report.

009269

FEB 13 1987

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

For meeting scheduled for:

February 19, 1987

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 Re-Certification of South Carolina Vocational Rehabilitation Department

3. Summary Background Information: In accordance with the Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited the Vocational Rehabilitation Department's procurement system and recommends its certification within the parameters described in the audit report for the following limits for a period of three years: Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment of \$10,000 per commitment.

EXHIBIT

FEB 19 1987

NO. 14

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Grant procurement certification for the Vocational Rehabilitation Department.

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

20 Copies of Procurement Audit and Certification Report.

List Those Not Attached But Available from Submitter

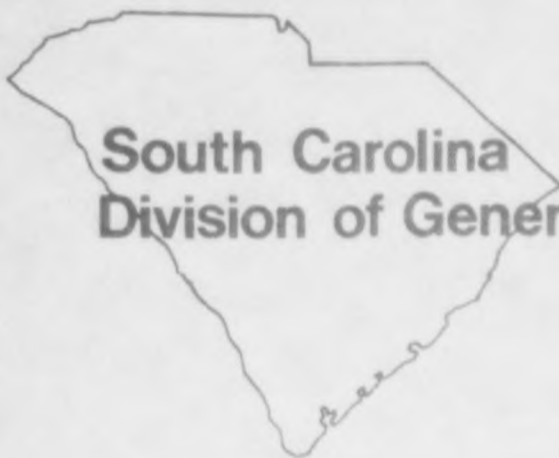
009270

EXHIBIT

FEB 19 1987

NO. 14

STATE BUDGET & CONTROL BOARD



South Carolina
Division of General Services

PROCUREMENT AUDIT AND CERTIFICATION

S.C. DEPT. OF VOCATIONAL REHABILITATION
AGENCY

JANUARY 1, 1984 - JUNE 30, 1986
DATE

009271

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

February 6, 1987

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 Vocational Rehabilitation Department audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the department three years certification as outlined in the audit report.

Sincerely,

William J. Clement, AIA
Assistant Division Director

Attachment

009272

EXHIBIT

FEB 19 1987 NO. 14

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA DEPARTMENT OF VOCATIONAL REHABILITATION
AUDIT REPORT

January 1, 1984 - June 30, 1986

009273

EXHIBIT

FEB 19 1987 NO. 14

STATE BUDGET & CONTROL BOARD

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Transmittal Letter.....	1
Introduction.....	3
Background.....	4
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Summary of Audit Findings.....	7
Results of Examination.....	8
Certification Recommendations.....	12

009274

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
100 GERVAS 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

January 12, 1987

EXHIBIT

FEB 19 1987

NO. 14

STATE BUDGET & CONTROL BOARD

Mr. William J. Clement
Assistant Director
General Services
Columbia, South Carolina 29201

We have examined the procurement policies and procedures of S. C. Vocational Rehabilitation Department for the period January 1, 1984 through June 30, 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 department 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 S. C. Vocational Rehabilitation Department 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 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 S. C. Vocational Rehabilitation Department in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

R. Voight Shealy
R. Voight Shealy, Manager
Audit and Certification

009276

INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of S. C. Vocational Rehabilitation Department.

Our on-site review was conducted July 24, 1986 through September 5, 1986, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Regulation 19-445.2020.

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 its ensuing regulations.

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 operation, shall certify in writing that it is consistent with the provisions of the code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

S. C. Vocational Rehabilitation Department has requested recertification to make procurements to a maximum of \$10,000 per purchase for goods and services purchased from case service funds which are specifically for handicapped clients of the department. No additional certification was requested in any other area.

SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of S. C. Vocational Rehabilitation Department 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.

The Audit and Certification team statistically selected random samples for the period July 1, 1984 through June 30, 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 Regulations;
- (2) procurement staff and training;
- (3) adequate audit trails and purchase order registers;
- (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) disposition of surplus property;

- (10) economy and efficiency of the procurement process;
- (11) Minority and Business Enterprise Utilization Plan approval.

SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system of S. C. Vocational Rehabilitation Department produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. <u>Compliance - Sole Source and Emergency Procurements</u>	8
In a review of quarterly reports, we found the majority of these transactions to be proper and accurately reported, but we did encounter some exceptions.	
II. <u>Compliance - Goods and Services</u>	9
Two procurements did not have the required competition.	
III. <u>Compliance - Case Services Procurements</u>	10
A. <u>Improper award of contract</u>	10
One procurement was awarded incorrectly.	
B. <u>Field audits needed</u>	10
Audits of field procurements are necessary to insure accountability and compliance with the Code.	

RESULTS OF EXAMINATION

I. Compliance - Sole Source and Emergency Procurements

Our examination of sole source and emergency procurements made by the department indicated the majority of transactions to be adequately justified and accurately reported. However, we did encounter the following problems:

A. Sole Source Procurements

The following procurements are classified as exempt by the Budget and Control Board and, as such, should not have been reported.

	<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
1)	86-10460	\$ 599.60	Video cassettes
2)	85-17146	599.95	Video cassettes
3)	85-17154	1,744.50	Filmstrips
4)	85-11440	1,137.00	Video cassettes
5)	85-15588	5,215.00	Copyright evaluator kit
6)	85-16595	514.00	Copyrighted materials

We recommend the agency be more cognizant of the exemptions promulgated by the Board.

B. Emergency Procurements

The following procurements did not meet the application of emergency procurements as stated in Section 19-445.2110 of the regulations which is, "...procurements made under emergency conditions that will not permit other source selection methods to be used."

	<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
1)	85-13128	\$ 650.00	Refinish board room woodwork
2)	85-13129	775.00	Refinish board room woodwork
3)	85-12288	4,000.00	Repair crack in concrete floor

Items one and two could have been made under the small purchase provisions which require only two telephone quotations in these cases. In our opinion, the procurements should have been made using these simplified purchasing procedures. Item three appeared to be the result of poor planning rather than a true emergency situation.

We recommend stricter adherence to the emergency provisions of the Procurement Code and regulations. If the purchase can be met through normal procedures, it should be.

II. Compliance - Goods and Services

Our review of transactions in the goods and services area revealed two procurements which were not supported by the required amount of competition.

<u>P.O. Number</u>	<u>Amount</u>
12962	\$795.01
12963	747.56

Both procurements were for food items at the centers. The Code requires competition when food items, not specifically exempted under Section 11-35-710(c), exceed the \$500.00 threshold.

We recommend that the department secure competition on all future food purchases of non-exempt items which exceed \$500.00.

III. Compliance - Procurements For Case Services

A. Improper Award

We reviewed all invitation for bid procurements for case services for the audit period (thirty-two). With one exception, all of these were handled in accordance with the Procurement Code.

The one exception was a procurement of a wheelchair. The two lower bids received were \$2,995.00 and \$2,999.00 respectively. Agency personnel misread the bids and annotated the bid tabulation sheet as two tie bids of \$2,995.00. This resulted in a coin toss. The higher bidder (\$2,999.00) won the coin toss and received the award.

This is an isolated incident, but it resulted in the award being made to the wrong vendor. We urge the department to exercise more care in awarding contracts in the future.

B. Field Audits Needed

We reviewed sixteen procurements made from case service funds which ranged from \$500-\$2,500. All of these required competition and were handled by the area offices. The solicitations were well documented and handled in accordance with the Code.

We did note, however, that the central office did not maintain files on procurements made by area offices and that area office procurements were not audited by the department's internal audit staff. We recommend that one of these two options be exercised.

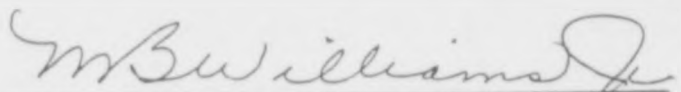
CERTIFICATION RECOMMENDATIONS

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 S. C. Vocational Rehabilitation Department in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

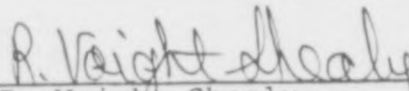
Under the authority described in Section 11-35-1210 of the Procurement Code, subject to this corrective action, we recommend S. C. Vocational Rehabilitation Department be certified to make direct agency procurements as follows for a period of three years:

Purchases made by the Director of Purchasing from Case Service funds specifically for handicapped clients in the area of vocational rehabilitative equipment to a maximum of \$10,000 per commitment.

All other procurements are to remain at \$2,500.



Marshall B. Williams, Jr.
Supervisor, Audit and Certification



R. Voight Shealy
Manager, Audit and Certification



South Carolina Vocational Rehabilitation Department



JOE S. DUSENBURY, Commissioner

1410 Boston Avenue • Post Office Box 15 • West Columbia, South Carolina 29171-0015

January 26, 1987

Mr. R. Voight Shealy, Manager
Office of Audit and Certification
S. C. Budget and Control Board
300 Gervais Street
Columbia, South Carolina 29201

Dear Voight:

I am writing in response to your draft audit report for the period of January 1, 1984, through June 30, 1986. I am listing below our response to each of your audit findings.

I. Compliance - Sole Source and Emergency Procurements

A. Sole Source Procurements

We concur that there were several items reported on our sole source reports that have recently become exempt from the Procurement Code Procedures. We were not aware that these items had been exempted, but have since updated our exemption list to cover these areas. We will make a concerted effort to keep our listing updated and request that information pertaining to any additions to these exemptions be forwarded to this Agency.

B. Emergency Procurements

There were several items in the audit report that we reported as emergency procurements that, in your auditors opinion, should not have been. Two of these items dealt with the refinishing of woodwork in our then under construction state office building. The necessity to expedite this work was due to the fact that we could not accept this building as completed until this work had been done. We were at the time paying rent in other quarters which cost over \$550 per day and felt that it was in the best interest of the state to move as quickly as possible to occupy the new building. We will be cognizant of the regulations pertaining to emergency procurements in the future and will make every effort to comply.

009287

Mr. R. Voight Shealy
January 26, 1987
Page 2

II. Compliance - Goods and Services

There were two instances pointed out in the audit report where there was no supporting documentation of competition in the purchase of food items at our residential centers. We are currently taking steps to assure that all future purchases will be in compliance.

III. Compliance - Procurements for Case Services

A. Improper Award

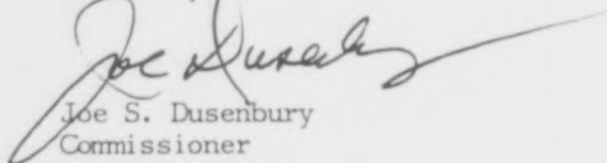
There was one instance in the procurement of a wheelchair where the high bid was inadvertently accepted. The two bidders were only \$4 apart and Agency personnel misread the bid. A concerted effort will be made to prevent this happening in the future.

B. Field Audits Needed

It was recommended in the audit that periodic internal audits be performed on field purchases from case service funds which fall between the \$500 and \$2,500 range. The Agency concurs with this recommendation and these audits with appropriate reports will be done in the future.

I appreciate the cooperation of your staff and the professional manner in which they conducted this audit.

Sincerely,



Joe S. Dusenbury
Commissioner

jam

009288

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAS 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

February 6, 1987

EXHIBIT
FEB 19 1987 NO. 14
STATE BUDGET & CONTROL BOARD

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 the South Carolina Vocational Rehabilitation Department covering the period January 1, 1984 through June 30, 1986. Combined with observations made during our site visit, this review has satisfied the Office of Audit and Certification that the department is correcting the problem areas found and that internal controls over the procurement system are adequate.

We, therefore, recommend that the certification limits for Vocational Rehabilitation outlined in the audit report be granted for a period of three (3) years.

Sincerely,

R. Voight Shealy, Manager
Audit and Certification

009289

EXHIBIT

FEB 19 1987

NO. 15

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF February 19, 1987

ITEM NUMBER

12

AGENCY: Department of Agriculture

SUBJECT: Foreign Travel

The Department of Agriculture requests approval of the travel of Roy W. Copelan, Jr., to San Juan, Puerto Rico and Aruba, Colombia during the April 8-16, 1987, period to promote the sale of South Carolina food and agricultural products, represent and manage the booth for the S. C. Department of Agriculture, assist S. C. firms participating in the Caribbean Food and Equipment Trade Exposition, visit trade contacts related to fresh produce and VAT products.

The estimated cost of the travel is \$1,441 and will be paid by the Foreign Trade Missions appropriation.

BOARD ACTION REQUESTED:

Approve the travel of Department of Agriculture staff member Roy W. Copelan, Jr., to San Juan, Puerto Rico and Aruba, Colombia during the April 8-16, 1987, period at an estimated cost of \$1,441 to be paid by the Foreign Trade Missions appropriation.

ATTACHMENTS:

Tindal February 11 letter to McInnis

009290



D. Leslie Tindal - Commissioner

State of South Carolina
Department of Agriculture
EXHIBIT

FEB 19 1987 NO. 15

STATE BUDGET & CONTROL BOARD

February 11, 1987

Wade Hampton Office Building
P.O. Box 11280
Columbia, S.C. 29211

Telephone: (803) 734-2210

Mr. William A. McInnis
Deputy Executive Director
Budget and Control Board
6th Floor, Wade Hampton Office Building
Columbia, SC 29211



Dear Mr. McInnis:

Request is hereby filed that Roy W. Copelan, Jr., be permitted to travel to San Juan, Puerto Rico and Aruba, Colombia on April 8-16, 1987.

His main objective will be to promote the sale of South Carolina food and agricultural products. He will represent and manage the booth for the South Carolina Department of Agriculture. He will also assist South Carolina firms participating in the Caribbean Food and Equipment Trade Exposition (San Juan, April 11-13) and visit and follow-up trade contacts, especially as related to fresh produce and VAT products.

Total travel cost is estimated at \$1,441.00 which will include airfare, hotels, and other expenses which will be paid by the Foreign Trade Missions appropriation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

D. LESLIE TINDAL

DLT:llm

009291

EXHIBIT

FEB 19 1987

NO. 16

STATE BUDGET AND CONTROL BOARD
STATE BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF FEBRUARY 19, 1987 ITEM NUMBER

13

AGENCY: Jobs-Economic Development Authority

SUBJECT: Foreign Travel

The Jobs-Economic Development Authority requests approval after-the-fact for the travel of Executive Director Elliott E. Franks, III, to Amsterdam, Holland, as a guest of Ammerlaan AgroManagement, Inc., during the February 4-10, 1987, period to view and become more knowledgeable about the greenhouse industry technology. The cost of this travel was \$814.32.

BOARD ACTION REQUESTED:

Approve the travel of J-EDA Executive Director Elliott E. Franks, III, to Amsterdam, Holland, during the February 4-10, 1987, period at an estimated cost of \$814.32 to be paid from State funds.

ATTACHMENTS:

Franks February 12 letter to Coles; Neal February 12 memo to Barnes; Van Rijn January 13 letter to Franks.

009292



Elliott E. Franks, III
Chief Executive Officer

South Carolina Jobs-Economic Development Authority
Number One Main Building

February 12, 1987

Dr. Jesse A. Coles, Jr., Ph.d
Executive Director
State of South Carolina
Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

This is to advise you and the Budget and Control Board that I was authorized by my Board to travel to Amsterdam, Holland as a guest of the Ammerlaan AgroManagement, Inc. to view and become more knowledgeable about the Greenhouse Industry Technology. Our interest as an Authority is the potential that this Industry may have for rural South Carolina.

I am now aware of the requirement that all foreign travel be approved by the Budget and Control Board. Regrettably, we were not aware of this requirement prior to the trip.

Your support and recommendation for approval by the Budget and Control Board is sincerely appreciated.

Yours sincerely,

Elliott E. Franks, III

EEF:fls

RECEIVED

FEB 19 1987

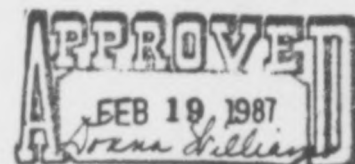
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987

NO. 16

STATE BUDGET & CONTROL BOARD



STATE BUDGET AND
CONTROL BOARD

009293



Elliott E. Franks, III
Chief Executive Officer

South Carolina Jobs-Economic Development Authority
Number One Main Building

M E M O R A N D U M

TO: Mr. Scott Barnes, Budget Analyst
State Budget Division

FROM: Betty B. Neal, Accountant *Betty B. Neal*

DATE: February 12, 1987

SUBJECT: Approval for Trip to Amsterdam, The Netherlands

RECEIVED

FEB 13 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

EXHIBIT

FEB 19 1987 NO. 16

STATE BUDGET & CONTROL BOARD

Mr. Elliott E. Franks, III took this trip to Amsterdam, The Netherlands.
(See attached letter) Prior approval for this trip outside the continental
United States was not received from the Budget and Control Board.

We are now submitting this request so that payment can be made to the travel
agency for the airline ticket and to Mr. Franks for the costs he incurred
for transportation, meals and telephone while in Amsterdam. The costs
are as follows:

Ask Mr. Foster (airline ticket)	\$563.00
Transportation (Amsterdam)	9.82
Meals on Saturday and Sunday (excluding breakfast)	48.00
Telephone (International)	193.50
	<u>\$814.32</u>

If additional information is necessary, please advise.

/mgm

009294

AMMERLAAN AGROMANAGEMENT, INC.
1310 Lady Street
Columbia, South Carolina 29201

RECEIVED
JAN 14 1987

January 13, 1987

Mr. Elliott Franks
Chief Executive Officer
South Carolina Jobs - Economic Development Authority
No. 1 Main Building, 1203 Gervais Street
Columbia, South Carolina 29201

Dear Mr. Franks:

As you know from the previous meeting with the undersigned and Aad Ammerlaan, President, Ammerlaan Agrotechniques, there will be held near Amsterdam, The Netherlands, the largest horticultural trade show in the world beginning February 3, 1987. This show displays the most modern techniques in greenhouse agriculture including systems and equipment to support it. Further as you know, Ammerlaan, B.V., is one of the largest greenhouse management/property developers in Holland - and have recently entered the U. S. agricultural market through the construction of major greenhouse facilities in Georgetown, South Carolina (3.25 acres connected with the power plant there).

As we discussed, in my considered opinion and that of Ammerlaan company officials, South Carolina offers precisely the right environment to develop over a term a greenhouse industry comparable to that existing in Holland. It has the right soil conditions, preferable light levels and a favorable available pool of labor.

We, therefore, believe that it would be to the benefit of the State of South Carolina to have certain key officials become familiar with the Dutch greenhouse industry and products grown therefrom. Accordingly, as you know from Mr. James Dunbar, we are asking you to join us in Holland from the period February 5, 1987 through February 9, 1987, for an educational tour of this industry. Your schedule would include:

(1) Friday, February 6, 1987 - tour of The Netherlands Agricultural Association Trade Show near Amsterdam; and

(2) February 7 and 8, 1987 - a general familiarization and tour of the country of Holland from an historical and agricultural standpoint;

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Mr. Elliott Franks
Page Two
January 13, 1987

STATE BUDGET & CONTROL BOARD

(3) February 9, 1987 - a tour of the Dutch Flower Auction, near Aalsmeer, as well as an afternoon visit to meet with the Secretary of Agriculture of The Netherlands.

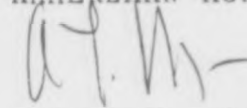
We believe that through this indoctrination visit, you will have a better understanding of how the greenhouse industry works in Holland which will give us the basis of going forward together to develop the greenhouse industry in South Carolina.

While you are in Holland and touring with us, we would, of course, be responsible for your accommodation expenses and most meals, and make arrangements for your in-country transportation.

We do believe that this is in the best interest of the country of The Netherlands as well as the State of South Carolina and are very hopeful that you can join us so that we can make the proper plans. Since time is short, we would very much appreciate hearing from you concerning this invitation as soon as conveniently possible. Please respond to Mr. Antoon Van Rijn, President, Rinal, Inc., 8 Pine Island Shores, Summerton, South Carolina 29148 (803-478-8596), Telex - TWX 5101006504.

Very truly yours,

AMMERLAAN AGROMANAGEMENT, INC.



Antoon Van Rijn
Vice President

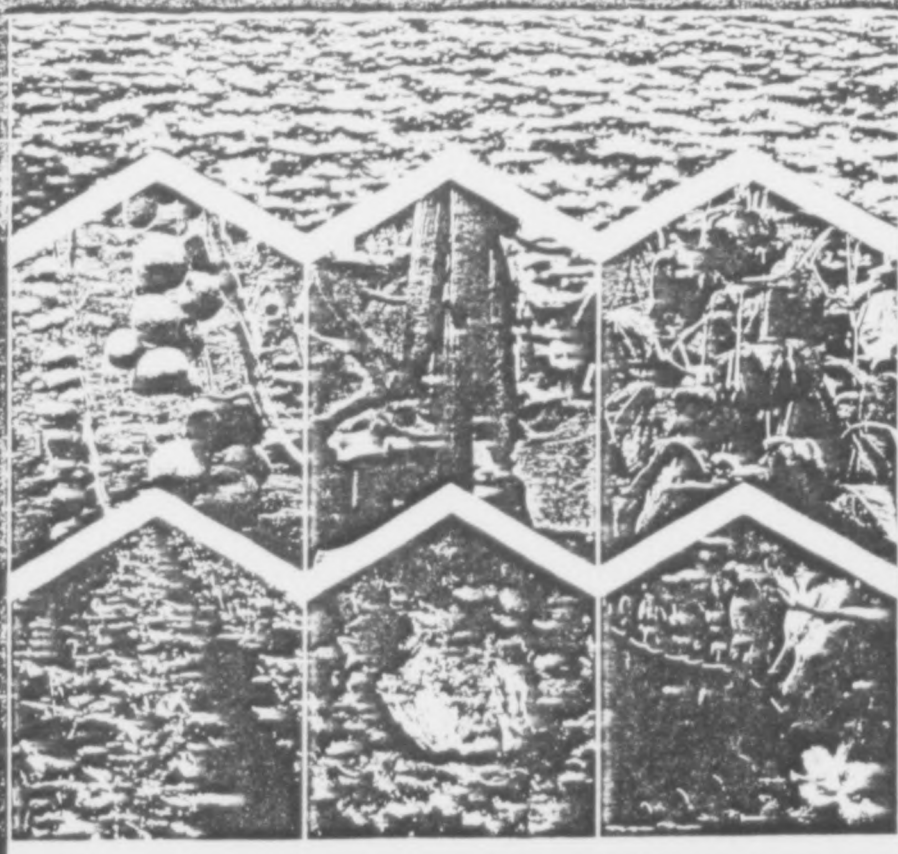
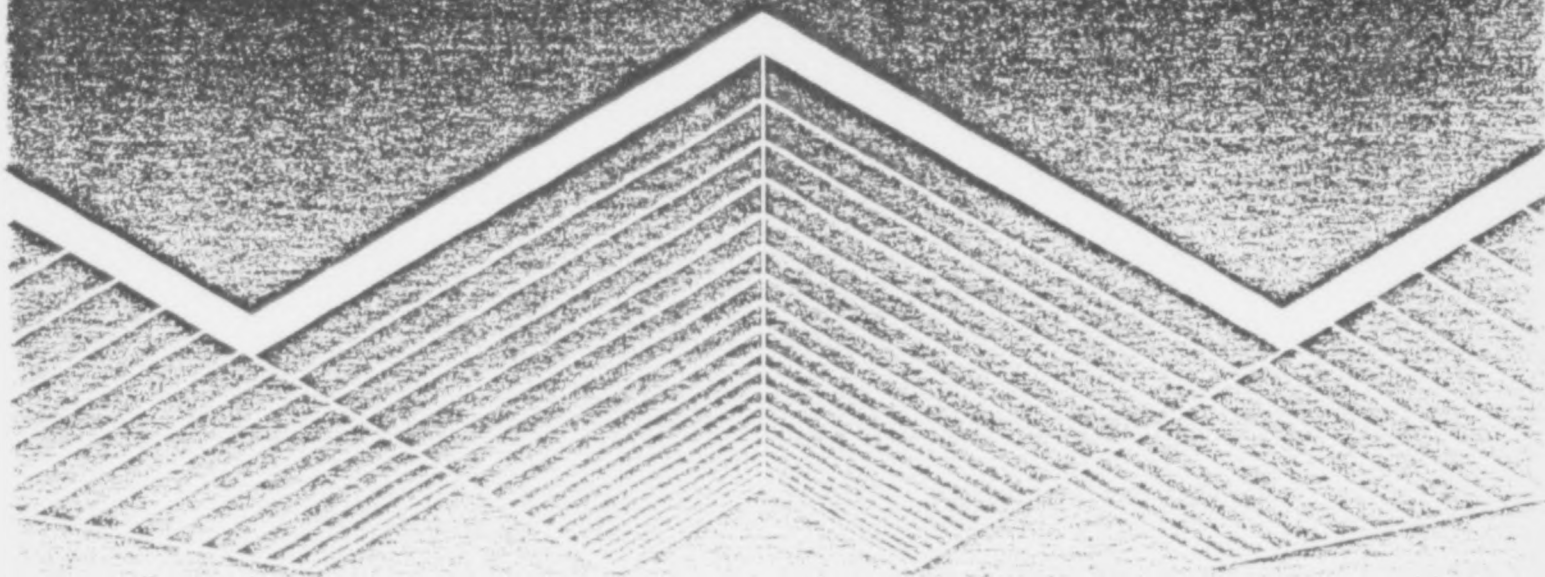
CC: James V. Dunbar, Jr., Esquire

009296

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR QUALITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.
6. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
7. EXTREMELY DARK COLORED DOCUMENTS THAT LACK CONTRAST BETWEEN WRITING AND BACKGROUND.
8. THE NUMBERED PAGES OF THESE FILMS MAY APPEAR TO BE MISSING, OR NUMBERED WRONG.

ammerlaan



009297

Company profile

Ammerlaan Holding, established in 1946, is the umbrella over several Ammerlaan divisions, which are based at the main horticultural centres in the Netherlands.

Each division has its own specialities. The export division is based at Naaldwijk in the heart of Holland's largest greenhouse district, the Westland.

Here Ammerlaan specialists on horticulture offer clients a full range of services, such as consulting, design, engineering, manufacture, project preparation and finally turnkey contracting or alternatively, supply of materials with the assistance of qualified supervisors.

The Ammerlaan organisation can offer the client a full package in the field of:

- Greenhouses
- Packing and grading sheds
- Irrigation with fertilizer injection (substrate)
- Screening
- Rainwaterdrainage/ reservoirs
- Heating
- Automation
- Mushroom cultivation rooms
- Accessories

Having constantly in mind the necessity to create and control the right environment for each and every cultivation, the latest innovations in greenhouse design are being incorporated.

Basic economics play an important element in selecting the appropriate materials for such a greenhouse project and the Ammerlaan experts are well aware of the fact that costings and quality are closely related; nevertheless greenhouse projects materialised by Ammerlaan throughout the world have proven that the actual pricing structure has been and always will be flexible and on very competitive levels.

It is Ammerlaan's philosophy that whilst maintaining the quality of materials to be used, a speedy and correctly built greenhouse project, within the time schedule as agreed, is the best package on offer in the industry to the grower.

**ammerlaan**
agro-projecten b.v.

Zwartendijk 52 - 2671 LL Naald

EXHIBIT

FEB 19 1987

NO. 16

STATE BUDGET & CONTROL BOARD

009298

EXHIBIT

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF INFORMATION RESOURCE MANAGEMENT
1203 GERVAIS STREET
COLUMBIA, S.C. 29201
(803) 734-1480

FEB 19 1987 NO. 17

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE OF WAYS AND MEANS COMMITTEE

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

TED. L. LIGHTLE
DIVISION DIRECTOR

January 26, 1987

BY HAND

Mr. Tom Persons
AT&T Information Systems, Inc.
810 Dutch Square Boulevard
Columbia, South Carolina 29210

RE: Acceptance of System and Related Items

Dear Tom:

Since entering into our relationship, the State has paid AT&T in excess of Twenty Million (\$20,000,000.00) Dollars, over the rather brief period of less than one (1) year. To suggest, as you have in your recent communications, that the State's payment record is problematic ignores both the great amounts of money that have already been paid and, most pointedly, glosses over, if not ignores, the deep, substantial and material problems experienced, and persisting, between the State and AT&T.

The State has sought to avoid engaging in self-help dispute resolution by doing two (2) things:

1. bringing to your attention, as they arise, the problems that concern the State deeply; and
2. not withholding substantial payment to AT&T.

As we have repeatedly stated to AT&T, these payments, and our efforts towards resolving these problems, should in no way be regarded as a waiver of any of the issues which we have addressed in the past. Given the less than "turnkey" systems that have been provided to the State by AT&T, the State has been required to devote an inordinate amount of

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Mr. Tom Persons
January 26, 1987
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time and personnel to achieve workability (but not acceptability) of these systems. That is, our opportunity to conduct detailed, effective contract administration has become the stepchild to those problem solving requirements imposed on us by virtue of the difficulties that have been the subject of continuous and repeated communications to your organization.

In your letter of January 5, 1987 you have asserted outstanding balances of approximately 2.5 Million Dollars. You have also stated that "AT&T is not prepared to absorb more uncompensated expense in connection with these systems." You also have asserted (in your letter of January 12) that we have signed maintenance contracts for Charleston and that maintenance will continue "on these systems but only if payments are brought up to date and the maintenance contracts are paid when billed".

First, I have not signed any maintenance contracts for Charleston, nor has anybody else on behalf of the State, based upon the position taken in my letters of December 15, 1986 and January 7, 1987. Secondly, in each of these letters, I have made detailed references to the basis for our positions. Even so, your responses are without reference to any separate documents or other source(s) which might be evaluated by us to determine the relative strengths or weaknesses of the respective positions of the parties. As in the case of not seeking to engage in self-help, the State has always tried to be precise and has cited provisions in the contract, and like specifics, in asserting various stances. Moreover, we have sought repeatedly to get information from AT&T and many of these requests have simply gone unanswered.

The State, in no way, is in a position to accept either Charleston or Columbia as a whole. Substantial questions persist, including: 1) trunking; 2) inadequate station inventory and reviews; 3) growth capacity; 4) reused cable and wire records and title; 5) switch damage from water and lightning; 6) unanticipated costs imposed upon the State (attributable to AT&T's failure to advise the State-as was its duty-in its proposal of these costs; 7) long distance

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call record keeping; 8) manuals and other documentation provided to the State; 9) microwave compatibility and additional costs; 10) grade of service performance of the systems; 11) long distance operator console deficiencies; and 12) application of appropriate discounts for equipment and services. We are even having difficulty getting current price lists from AT&T to evaluate this last issue and hereby request those again. Moreover, our ongoing experience at South Carolina State, including unanticipated costs, station count and review inadequacies, class of service disputes, and the like, establish that the pattern of problems continue.

Overall, the solicitation document authored and distributed by the State sought "turnkey" systems which, when acceptance and payment were finalized, would enable the State to operate its own telephone company. A substantial component of our evaluation of whether to get into this undertaking was, of course, the pertinent economics and in light of this requirement, all offerors were required to alert the State to "all costs". AT&T, based upon actual performance, underestimated both the components, and the level, of those costs to the State which has resulted in unexpected substantial financial drains. Furthermore, many of the issues that I have listed are fundamental to the ability of the State, as is anticipated and expected under the solicitation and resulting contract, to run its own phone company. AT&T has not met its obligations even though the State has sought to address these problems in good faith, with precision, and while not simultaneously withholding substantial payment.

The circumstances, however, are changing. We have been at this long enough to realize that the problems we face are of such a fundamental, important, and significant variety that the State must turn to new means to protect its interests. The State has underway an effort to evaluate all of these matters in detail, and to diagnose the unexpected costs which have been incurred, and which are expected in the future, in connection with what the State thought it was getting and contracted for. We are undertaking this effort with all available dispatch, and hope to have to you a detailed submission, in the not too distant future, which will precisely review each of the issues including analysis of the respective obligations under the governing contractual documents, the actual performance that has

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occurred, and a position of the State in connection with what relief is sought, whether monetary or otherwise. Until this evaluation is completed, however, the State will withhold additional payments.

As part of our review, we are focusing first on any "least debatable" amounts, generally regarded by us as items from account nos. 0017-63841-47, 0017-63842-46, 0017-63924-47, 0017-63929-42, 0017-63932-47, 0009-89262-49, 0013-74470-41, and 0013-74542-45. Payment of these invoices will be made, hopefully within a week, if our review establishes that the charges are for items not covered (such as moves, adds and changes) under warranty, have no bearing on the overall issues (including growth capacity obligations), and all proper discounts have been applied.

Upon satisfactory resolution of all of the issues concerning the State, you may be assured that payment will be made, if owed. The State does not need any special arrangements for payment. Money is available but until we fully evaluate the situation as a whole, we are not prepared to make additional payments now which, in light of the total circumstances, may not be owed.

This presents a grave concern to the State not only because of the fact that we find ourselves in this position, but also because of these troubling references you have made apparently conditioning the availability of continuing maintenance and other daily requests for support. Up until this point, the State has been satisfied with the maintenance that has been supplied by AT&T, under warranty. Any substantial reduction in the time of response, quality or any similar deterioration of installation or maintenance will be regarded by the State as an effort on the part of AT&T to engage in self-help. As I have stated in the past, and remind you again, this is the State's phone system and its unavailability would create grave, deep and dangerous conditions. We have sought, once again, to address these questions in good faith towards amicable resolution and continue to hope for such an outcome.

You may be assured that the State wishes to resolve this matter fairly and expeditiously. Before, however, making final payment, recognizing its significance under the contract, this evaluation is required. I believe it is in everyone's best interest to resolve our differences quickly and pledge to you all efforts of this office towards that

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FEB 19 1987

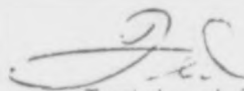
NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Tom Persons
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outcome. However, any effort on the part of AT&T to create leverage or otherwise engage in self-help will be regarded by the State as a declaration that AT&T will not cooperate towards resolving these problems. Please be advised that the State intends to protect its interests fully.

Sincerely,



Ted L. Lightle

TLL:sm

cc: Jesse Coles
Sam Griswold
Phil Latham
Boykin Roseborough
Mackey Goodwin
Boyd Guttery
John Foster

017/0150

009303



Thomas E. Persons
General Manager

Suite 200
810 Dutch Square Boulevard
Columbia, SC 29210
803 733-3838

February 12, 1987

Delivered by Hand

EXHIBIT

FEB 19 1987

NO. 17

Mr. Ted L. Lightle
South Carolina Budget & Control Board
Division of Information Resource Management
1203 Gervais Street
Columbia, South Carolina 29201

STATE BUDGET & CONTROL BOARD

Dear Ted:

I have received your letter of January 26, 1987 and have reviewed it with senior management officials of this company.

It is our position that your January 26th letter presents no new basis for the State's continued failure to pay monies due to AT&T. Instead, your letter refers only to issues which have been repeatedly discussed and, for the most part, resolved during the past fourteen (14) months.

As I stated in my letter of January 5, 1987, AT&T has satisfied all requirements contained in the RFP and in the contract. The systems at issue are installed and are operating in accordance with all applicable specifications. Your staff has been furnished all information necessary to enable the State to accept these systems. The State's refusal to pay in full all amounts due is completely arbitrary and totally unjustified.

The State's account is overdue in an amount approaching \$3 million. This is to advise you formally that unless payment in full is received, or mutually satisfactory arrangements for prompt payment have been consummated, by 5:00 p.m., E.S.T., on Friday, February 20, 1987, AT&T shall thereafter undertake the following actions as a result of the State's non-performance of its contractual obligations:

- (1) AT&T will not accept any new orders from DIRM;
- (2) Except in a situation which is clearly an emergency or life-threatening, AT&T will not provide warranty or maintenance service on any telecommunications system being used by the State;

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EXHIBIT

FEB 19 1987

NO. 17

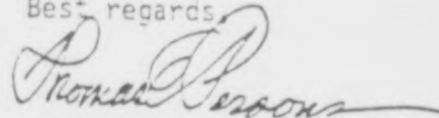
STATE BUDGET & CONTROL BOARD

- (3) AT&T will cease any further action with respect to pending orders or installations; and
- (4) AT&T will cease providing any on-site support and will cease any on-going projects in progress.

Such actions shall continue until full payment is received or mutually satisfactory arrangements for payment are consummated. Obviously, the duration of these actions is within your control.

We sincerely regret that the above actions are necessary. However, AT&T cannot continue to provide products and services without assurance that its proper invoices will be fully paid in a timely manner.

Best regards,



Thomas E. Persons
General Manager

TEP:pcm

cc: Mr. Richard C. Holbrook
Mr. John D. Foster
Mr. Boyd M. Guttery
Mr. Thomas C. Cartwright
Dr. Jesse A. Coles, Jr.
Dr. Sam Griswold
Mr. Phil Latham
Mr. Boykin Roseborough
Mr. Mackey Goodwin
The Honorable Carroll A. Campbell
The Honorable Grady L. Patterson
The Honorable Earl E. Morris, Jr.
The Honorable Rembert C. Dennis
The Honorable Robert N. McLellan

009305

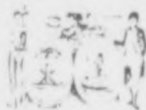
State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.

STATE TREASURER

EARLE F. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444

Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McFELIAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

EXHIBIT

February 16, 1987

FEB 19 1987

NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Boyd M. Guttery
Area Vice President
AT&T Information Systems
2300 Northlake Center Drive
Tucker, Georgia 30084

Dear Mr. Guttery:

I appreciate the opportunity to meet with you and your staff on matters in contention between the State and AT&T concerning the installation and operation of the State's telecommunications system. From the State's perspective, the purpose of our meeting today is:

1. to address the letter of February 12, 1987 from Mr. Persons to Mr. Lightle and
2. to devise a methodology to address and/or resolve these matters in a timely and amicable fashion.

First, I propose that we reach agreement on several overriding principles which I believe should guide our negotiations. I propose we understand that, regardless of the specific nature of any of our disagreements, it is likely that the eventual outcome of our negotiations will reflect the following:

1. The State of South Carolina relies heavily on its telecommunications system and will have such a system in place and cannot allow such service to be disrupted;
2. It is most likely that AT&T equipment will be the equipment to support the State's system and that certain aspects of maintenance of that system will be provided by AT&T;

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Mr. Boyd M. Guttery
February 16, 1987
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STATE BUDGET & CONTROL BOARD

3. The State is capable of and will pay all legitimate bills for the provision of goods and services by AT&T;
4. AT&T is a responsible corporation which will support the telecommunications system in a professional manner;
5. The State and AT&T will be in business together pursuant to resolution of these matters and current conflicts should be resolved in a manner which allows that subsequent business relationship to continue in an effective manner; and
6. It is in the best interests of both the State and AT&T to bring a speedy resolution to the current conflict.

Assuming general concurrence with the items referenced above, I propose the following procedure for discussion:

1. The State and AT&T shall identify very specifically the items under contention;
2. The State and AT&T shall establish specific teams composed of representatives from each side to examine each issue and attempt to reach a resolution;
3. A Review Team of two (Boyd Guttery and Sam Griswold supplemented by appropriate assistance) shall review the results of each specific team negotiation of each issue. Where concurrence has been reached by the specific team and the Review Team also concurs, appropriate action will occur forthwith. Where the team does not reach concurrence, Guttery and Griswold shall attempt to reach concurrence. If concurrence cannot be reached, the Review Team shall agree to disagree and set the matter aside to either be negotiated at higher organizational levels or to be more formally addressed if such becomes necessary.
4. A time frame for the resolution of these issues shall be established and agreed to by the State

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Mr. Boyd M. Guttery
February 16, 1987
Page 3

STATE BUDGET & CONTROL BOARD

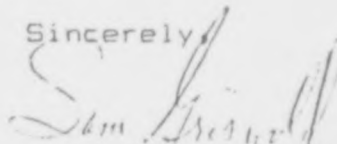
and AT&T.

5. It shall be impressed upon all concerned that this process is designed to reach resolution and not increase conflict. To that end, it shall not be determined uncooperative to agree to disagree on any particular issue(s).

It is hoped that this formal process will result in the resolution of our disagreements in large part. The State is willing to commit to a timely processing of payment on resolved matters as soon as resolution is reached. It is hoped that AT&T will agree to continue services under the contract that the State has with AT&T during these negotiations. Please be advised, however, that the State cannot and will not negotiate so long as support of the entire, in-place telecommunications system and the S.C. State College cut of February 20, 1987, are held hostage to what the State considers a legitimate disagreement. Consequently, the State requests that AT&T rescind its letter of February 12 1987, from Mr. Tom Persons to Mr. Ted Lightle which threatens to withdraw support of the system and maintain support during these negotiations.

Your reaction to this proposal and negotiation of its details will be welcome. Hopefully, as we examine the specifics of each issue, we will find that our differences can be resolved. Your cooperation in these matters is appreciated.

Sincerely,

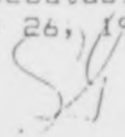


Sam Griswold, Ph.D.
Deputy Executive Director

SG/slm

018/0197

P.S. For your information, payment in excess of \$200,000 is being processed as per the "least debatable" items identified in our letter of January 26, 1987.



009308

State of South Carolina
State Budget and Control Board

CARROLL A. CAMPBELL, JR., 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
ROBERT N. McFILLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

February 17, 1987

EXHIBIT

HAND DELIVERED

FEB 19 1987 NO. 17

Mr. Tom Persons
AT&T Information Systems
810 Dutch Square Boulevard, Suite 200
Columbia, South Carolina 29210

STATE BUDGET & CONTROL BOARD

Dear Mr. Persons:

This is to confirm the meeting between AT&T and State officials yesterday here in Columbia. In attendance, aside from us, were Messrs. Boyd Guttery, Mike Oliver and Preston Lawson representing AT&T, and Ted Lightle, Phil Latham and Mackey Goodwin representing the Budget and Control Board.

After presenting AT&T with my letter of February 16, 1987 and discussions lasting approximately three (3) hours, it appears that we disbanded with matters at this status:

1. AT&T refused to rescind your letter to Mr. Lightle of February 12, 1987 without having actually received approximately \$3,000,000;
2. AT&T, if no such payment is made and received, will also refuse to complete the cutover at South Carolina State College scheduled for this Friday at 2:00 p.m.;
3. AT&T also refused, at the meeting, in light of the State's uncertainty as to the accuracy of the outstanding bills, to even discuss discounts provided for in the contract;
4. The State offered to escrow, or, alternatively, certify the availability of, all outstanding amounts in dispute. This has been refused by AT&T;
5. AT&T did agree to begin negotiating immediately, without rescinding the letter, about the disagreements, but this was rejected by the State as set forth in my letter dated February 16, 1987. It is the State's position that negotiations cannot occur so long as the threatening letter of February 12, 1987, is in place;

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Mr. Tom Persons
February 17, 1987
Page 2

STATE BUDGET & CONTROL BOARD

6. AT&T declared that, by virtue of the impending cutover at S.C. State, AT&T felt that they had the "leverage" and were not going to allow that opportunity to pass;

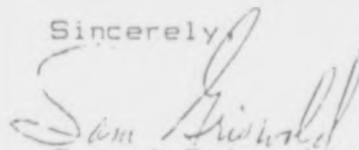
7. AT&T declared that it would be up to AT&T, specifically Mr. Tom Persons' staff, to determine what constituted "clearly an emergency or life-threatening" situation(s) for purposes of deciding whether support and maintenance would be extended to the State by AT&T; and

8. AT&T asserted that if payment were made and received, and subsequent negotiations took place which resulted in concurrence by AT&T that the State was owed any money, AT&T would pay those agreed-upon amounts. AT&T asserted that its attention did not need to be obtained through withholding payments. Our own past experience, and that of other states, such as Michigan, however, are indicators to the contrary.

Finally, we agreed to engage in a conference call today at 4:30 p.m. to further explore a possible immediate, amicable, resolution to this current impasse. You have my pledge of support in that regard.

When I spoke with Mr. Boyd Guttery over the weekend, and again yesterday, he pointed out that one reason your company took the bold position asserted in the February 12, 1987 letter was to escalate this matter to a higher State management level. I have assured AT&T that that has been accomplished and, in place since mid-January and resulted in Mr. Lightle's letter of January 26, 1987. By AT&T's current posture, I might point out, both the State and AT&T are being deprived of the very opportunity for an amicable resolution which such an escalation promises. I am puzzled by this paradox.

Sincerely,



Samuel Griswold, Ph.D.
Deputy Executive Director

cc: Boyd Guttery
Ted Lightle
Phil Latham
Mackey Goodwin

018/0202D

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The State of South Carolina
Military Department



OFFICE OF THE ADJUTANT GENERAL

EXHIBIT

FEB 19 1987 NO. 17

STATE BUDGET & CONTROL BOARD

T. ESTON MARCHANT
MAJOR GENERAL
THE ADJUTANT GENERAL

February 18, 1987

Dr. J. Samuel Griswold
Deputy Executive Director
South Carolina Budget and
Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Griswold:

Per your request, we have received the letter, dated February 12, 1987, which you received from Mr. Thomas E. Persons, General Manager, AT&T, Columbia, South Carolina. We have made an assessment of the effect on emergency operations involving elements of our State Government in the event the potential actions outlined in Mr. Persons' letter are implemented.

There is no capability more vital in time of emergencies than continuous, reliable and redundant communications between responding agencies and those who are responsible for protecting the people and resources of this state. All state departments, agencies and commissions, or units thereof, are involved in our daily operation of State Government and the necessary coordination between state agencies, Federal Government and its agencies, county/local governments and their agencies. Should an emergency occur at any level of government (Federal, State or County/Local) all state agencies have a greater responsibility with regard to "emergency and life-threatening" events. Attached are an "Organizational Chart of the South Carolina Emergency Response Agencies," a calendar bar-chart of the South Carolina "Seasonal Disaster Parameters" and the "EOC (Emergency Operations Center) Liaison Listing-Alert and Notification Roster."

In addition to such evident life-saving agencies as Law Enforcement and Medical Organizations, all agencies are involved in emergency operations, in accordance with Act 199 of South Carolina (attached) and its implementation through "The South Carolina Comprehensive Emergency Preparedness Plan." A few examples might

Emergency Preparedness Division
Rutledge Building 1429 Senate Street
Columbia, South Carolina 29201 (803) 734-8020

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illustrate such total involvement:

Department of Education	-	Augments Emergency Welfare Service (EWS) by providing emergency shelter, mass feeding and transportation resources.
Commission of Aging	-	Provides augmentation to EWS in specific care, feeding and transportation for elderly persons.
Mental Health	-	Coordinates trauma and crisis counseling.
Wildlife and Marine Resources Department	-	Other than their regular law enforcement mission, they are frequently called upon for support because of their four(4) wheel vehicle capability to transport doctors, nurses, dialysis patients, etc., during hazardous driving situations.
Educational Television	-	Augments warning operations and public information services. Functions as an element of the state Emergency Broadcast System (EBS).

As you can see, emergency operations have an everlasting ripple effect. We have state agencies with operational elements at county level, such as DHEC and DSS. At State supported schools, even student telephones are considered to be necessary in the event of a crisis in student living quarters. Then consider the communications necessary should (God forbid!) a nuclear attack ever be launched against the United States.

In summary, it is the carefully considered judgement of this organization that telecommunication are absolutely essential for all elements of the government of the State of South Carolina.

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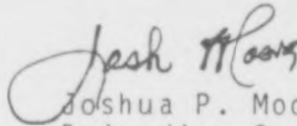
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Mr. Samuel Griswold
February 18, 1987
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Please call on us whenever we can be of service to you.

Sincerely,



Joshua P. Moore
Brigadier General, SCARNG (Ret)
Director

JPM:JMC:tld

Enclosures

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