

MINUTES OF
Budget and
Control Board
Meeting
January 26, 1983

015730

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JANUARY 26, 1983 4:15 P. M.

TELEPHONE CONFERENCE CALL

The Budget and Control Board met at approximately 4:15 p.m. on Wednesday, January 26, 1983, by means of a telephone conference call with the following members participating:

Governor Richard W. Riley (represented by
Executive Assistant Katherine M. Clarke)
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.

Senator Rembert C. Dennis was contacted individually by State Auditor Edgar A. Vaughn and Representative Tom G. Mangum was not available in his office at the time of this call.

State Auditor Edgar A. Vaughn, Jr., and Board Secretary William A. McInnis presented the materials for consideration by the members.

OFFICE OF EXECUTIVE DIRECTOR - DRAFT LEGISLATION RELATING TO BUDGET REDUCTION CONCEPT - As a follow-up to the action taken at the January 25, 1983, Budget and Control Board meeting, State Auditor Edgar A. Vaughn, Jr., advised the Board that the draft legislation presented to the Board at the January 25 meeting had been presented to the House Ways and Means Committee and that that Committee has already proposed several amendments. He advised the Board that the modifications made by the Ways and Means Committee included changing the authorization granted to the Board to direct all employees to take leave to read that the Board may direct any or all employees to take leave without pay during 1982-83 provided the Board orders or has ordered

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a reduction in general fund expenditures with the aggregate of such leave without pay not to exceed five days for any individual employee. He also advised that the Ways and Means Committee had included a provision allowing the Board upon the request of any agency to authorize the requesting agency to take the budget reductions in a manner which would minimize the required leave without pay days.

Mr. Vaughn also indicated that there is sentiment on the Ways and Means Committee to make provision for the State to pay the employee portion into the retirement fund to cover the credit lost due to any leave without pay resulting from this legislation. Mr. Vaughn indicated that the maximum exposure to the State under this approach is estimated at about \$162,000.

The Board received Mr. Vaughn's report as information.

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

The meeting was adjourned at about 4:30 p.m.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's press secretary in the State House and near the Board Secretary's office in the Wade Hampton Office Building at 12:00 noon on Tuesday, January 25, 1983.]

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D R A F T

EXHIBIT

JAN 26 1983

NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE THE BUDGET AND CONTROL BOARD TO DIRECT ALL EMPLOYEES TO TAKE LEAVE WITHOUT PAY, NOT TO EXCEED FIVE DAYS, DURING FISCAL YEAR 1982-83.

Whereas, the laws of South Carolina require a balanced budget; and Whereas, the Budget and Control Board is authorized and directed to order reductions in general fund expenditures as may be necessary to prevent a deficit; and Whereas, under such conditions the various state agencies and institutions have difficulty financing their operations; and Whereas, it has been determined that the State needs more flexibility in handling personnel affairs in order to better cope with the financial situation created by such reductions.

Now, therefore,

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

SECTION 1. Notwithstanding any other provisions of law, the Budget and Control Board (board), may direct all employees regardless of salary fund source to take leave without pay during fiscal year 1982-83 provided that the board orders or has ordered a reduction in general fund expenditures. The aggregate of such leave without pay shall not exceed five days for any individual employee during the fiscal year.

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EXHIBIT

JAN 26 1983 NO. 1

STATE BUDGET & CONTROL BOARD

SECTION 2. The requirement for taking such leave without pay shall not be subject to the grievance procedures as provided in Sections 8-17-10 through 8-17-60 of the 1976 Code, and employees required to take such leave may not substitute compensatory time, annual, or sick leave therefor.

SECTION 3. The board shall promulgate such rules as may be necessary to ensure that the provisions of this act are equitably applied including, but not limited to the provision of salary schedule adjustments to distribute the impact of the reduction over the remainder of the fiscal year and such provisions as are necessary to allow agencies and institutions to schedule leave without pay days in a manner least disruptive to the delivery of services.

SECTION 4. Notwithstanding any other provisions of law the Board is authorized to promulgate such rules as may be necessary to allow employees whose retirement will be affected by the provisions of this act the option of paying the employee and employer share into the retirement fund equal to the credit lost due to the leave without pay authorized by this Act.

SECTION 5. This act shall take effect upon approval by the Governor.

015734

Draft

JOINT RESOLUTION

Closing School

EXHIBIT

JAN 26 1983

NO. 1

STATE BUDGET & CONTROL BOARD

Whereas, the Budget and Control Board is directed by State law to restrict the expenditures of state funds if the Board determines that a deficit may occur, and

Whereas, the State Department of Education is required to reduce school district entitlements of State funds due to a reduction in the State's contribution to the Education Finance Act, and

Whereas, the required local funding under the Education Finance Act is reduced proportionately to the reduction in the State's contribution, and

Whereas, the Budget and Control Board has ordered such restrictions on the expenditure of State funds in the current fiscal year, and

Whereas, it appears that further such restrictions may be placed on the expenditure of State funds, including those which are the State's contribution to the Education Finance Act, and

Whereas, the statutory school term is currently set at 185 days, and

Whereas, the successful completion of said school term is predicated on the appropriation of a certain amount of State funds, and

Whereas, said State funds have been significantly reduced below their original levels, and

Whereas, over 80 percent of the budget of a school district is allocated to the payment of salaries, and

Whereas, many school districts in the state receive the large majority of the funds to operate their schools from the State, and

Whereas, said funds are now insufficient to fulfill the financial obligations of the districts for the entire 185-day school term.

NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA THAT:

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Section One.

Notwithstanding any other provision of law,

- (1) For the 1982-83 school year only, the board of trustees of any school district that is financially unable to complete the 185-day school term may petition the State Board of Education for the cancellation of up to five days of the school term.
- (2) Said petition shall provide proof that the district must cancel the requested number of days in order to meet its financial obligations for the school term, due to the reduction in anticipated State funds originally budgeted for the payment of salaries.
- (3) No schools may be closed pursuant to this Resolution for more than two consecutive days.
- (4) The salary of all personnel shall be reduced in proportion to the number of days cancelled.
- (5) No personnel will be entitled to use any paid leave for the days cancelled.
- (6) Employees whose retirement may be affected by the provisions of this Resolution may pay the employee and employer's share into the the retirement fund equal to the credit lost due to the cancellation of school days pursuant to this Resolution.

Section 2 - Effective Date.

EXHIBIT

JAN 26 1983 NO. 1

STATE BUDGET & CONTROL BOARD

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EXHIBIT

JAN 26 1983 NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE PAYING
PATIENTS ACCOUNT OF THE STATE DEPARTMENT OF MENTAL HEALTH
TO THE GENERAL FUND FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding any other provisions of law,
for the 1982-83 fiscal year three million dollars is
transferred from the Paying Patients account of the State
Department of Mental Health to the General Fund of the
State.

SECTION 2. This act shall take effect upon approval by
the Governor.

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EXHIBIT

JAN 26 1983 NO. 1

A JOINT RESOLUTION STATE BUDGET & CONTROL BOARD

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE LAW
ENFORCEMENT TRAINING COUNCIL TO THE GENERAL FUND OF THE
STATE FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding the provisions of Section
23-23-70 of the 1976 Code or any other provision of law
for the 1982-83 fiscal year five hundred thousand dollars
is transferred from the Law Enforcement Building and
Maintenance Fund to the General Fund of the State.

SECTION 2. This act shall take effect upon approval by
the Governor.

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(REVISED)

D R A F T

EXHIBIT

JAN 26 1983

NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE THE BUDGET AND CONTROL BOARD TO DIRECT ALL EMPLOYEES TO TAKE LEAVE WITHOUT PAY, NOT TO EXCEED FIVE DAYS, DURING FISCAL YEAR 1982-83.

Whereas, the laws of South Carolina require a balanced budget; and Whereas, the Budget and Control Board is authorized and directed to order reductions in general fund expenditures as may be necessary to prevent a deficit; and Whereas, under such conditions the various state agencies and institutions have difficulty financing their operations; and Whereas, it has been determined that the State needs more flexibility in handling personnel affairs in order to better cope with the financial situation created by such reductions.

Now, therefore,

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

SECTION 1. Notwithstanding any other provisions of law, the Budget and Control Board (board), may direct^{any or} all employees regardless of salary fund source to take leave without pay during fiscal year 1982-83 provided that the board orders or has ordered a reduction in general fund expenditures. The aggregate of such leave without pay shall not exceed five days for any individual employee during the fiscal year.

SECTION 2. Subsequent to imposing a reduction in accord with the provisions of this Act, the Board may upon request from any agency or institution, authorize that agency or institution to take the reductions in such a manner so as to minimize the required leave without pay days.

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EXHIBIT

JAN 26 1983 NO. 1

STATE BUDGET & CONTROL BOARD

SECTION 2. The requirement for taking such leave without pay shall not be subject to the grievance procedures as provided in Sections 8-17-10 through 8-17-60 of the 1976 Code, and employees required to take such leave may not substitute compensatory time, annual, or sick leave therefor.

SECTION 3. The board shall promulgate such rules as may be necessary to ensure that the provisions of this act are equitably applied including, but not limited to the provision of salary schedule adjustments to distribute the impact of the reduction over the remainder of the fiscal year and such provisions as are necessary to allow agencies and institutions to schedule leave without pay days in a manner least disruptive to the delivery of services.

SECTION 4. Notwithstanding any other provisions of law the Board is authorized to promulgate such rules as may be necessary to allow employees whose retirement will be affected by the provisions of this act the option of paying the employee and employer share into the retirement fund equal to the credit lost due to the leave without pay authorized by this Act.

SECTION 5. This act shall take effect upon approval by the Governor.

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JOINT RESOLUTION

Closing School

Whereas, the Budget and Control Board is directed by State law to restrict the expenditures of state funds if the Board determines that a deficit may occur, and

Whereas, the State Department of Education is required to reduce school district entitlements of State funds due to a reduction in the State's contribution to the Education Finance Act, and

Whereas, the required local funding under the Education Finance Act is reduced proportionately to the reduction in the State's contribution, and

Whereas, the Budget and Control Board has ordered such restrictions on the expenditure of State funds in the current fiscal year, and

Whereas, it appears that further such restrictions may be placed on the expenditure of State funds, including those which are the State's contribution to the Education Finance Act, and

Whereas, the statutory school term is currently set at 185 days, and

Whereas, the successful completion of said school term is predicated on the appropriation of a certain amount of State funds, and

Whereas, said State funds have been significantly reduced below their original levels, and

Whereas, over 80 percent of the budget of a school district is allocated to the payment of salaries, and

Whereas, many school districts in the state receive the large majority of the funds to operate their schools from the State, and

Whereas, said funds are now insufficient to fulfill the financial obligations of the districts for the entire 185-day school term.

NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA THAT:

EXHIBIT

JAN 26 1983 NO. 1

STATE BUDGET & CONTROL BOARD

015741

Section One.

Notwithstanding any other provision of law,

- (1) For the 1982-83 school year only, the board of trustees of any school district that is financially unable to complete the 185-day school term may petition the State Board of Education for the cancellation of up to five days of the school term.
- (2) Said petition shall provide proof that the district must cancel the requested number of days in order to meet its financial obligations for the school term, due to the reduction in anticipated State funds originally budgeted for the payment of salaries.
- (3) No schools may be closed pursuant to this Resolution for more than two consecutive days.
- (4) The salary of all personnel shall be reduced in proportion to the number of days cancelled.
- (5) No personnel will be entitled to use any paid leave for the days cancelled.
- (6) Employees whose retirement may be affected by the provisions of this Resolution may pay the employee ~~XXX~~ ~~XXXXXX~~ share into the the retirement fund equal to the credit lost due to the cancellation of school days pursuant to this Resolution. The employer's share of the retirement contribution shall be paid by the employing agency.

Section 2 - Effective Date.

EXHIBIT

JAN 26 1983

NO. 1

STATE BUDGET & CONTROL BOARD

015742

EXHIBIT

JAN 26 1983

NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE PAYING PATIENTS ACCOUNT OF THE STATE DEPARTMENT OF MENTAL HEALTH TO THE GENERAL FUND FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding any other provisions of law, for the 1982-83 fiscal year three million dollars is transferred from the Paying Patients account of the State Department of Mental Health to the General Fund of the State.

SECTION 2. This act shall take effect upon approval by the Governor.

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EXHIBIT

JAN 26 1983

NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE LAW ENFORCEMENT TRAINING COUNCIL TO THE GENERAL FUND OF THE STATE FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding the provisions of Section 23-23-70 of the 1976 Code or any other provision of law for the 1982-83 fiscal year five hundred thousand dollars is transferred from the Law Enforcement Building and Maintenance Fund to the General Fund of the State.

SECTION 2. This act shall take effect upon approval by the Governor.

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Attorney: Todd
Stenographer: Lee
Date: January 26, 1983
No.: 1105A

EXHIBIT

JAN 26 1983 NO. 1

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE THE STATE BUDGET AND CONTROL BOARD TO DIRECT ALL EMPLOYEES TO TAKE LEAVE WITHOUT PAY, NOT TO EXCEED FIVE DAYS, DURING THE FISCAL YEAR 1982-83 AND TO PROVIDE PROCEDURE FOR IMPLEMENTING THE DIRECTIVE.

Whereas, the laws of South Carolina require a balanced budget; and

Whereas, the State Budget and Control Board is authorized and directed to order reductions in general fund expenditures as may be necessary to prevent a deficit; and

Whereas, under such conditions the various state agencies and institutions have difficulty financing their operations; and

Whereas, it has been determined that the State needs more flexibility in handling personnel affairs in order to better cope with the financial situation created by such reductions. Now, therefore

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

SECTION 1. Notwithstanding any other provisions of law, the State Budget and Control Board (Board), may direct any or all employees regardless of salary fund source to take leave without pay during the 1982-83 fiscal year if the board orders or has ordered a reduction in general fund

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EXHIBIT

JAN 26 1983

NO. 1

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STATE BUDGET & CONTROL BOARD

expenditures. The aggregate of such leave without pay shall not exceed five days for any individual employee during the fiscal year.

SECTION 2. Subsequent to imposing a reduction in accord with the provisions of this Act, the Board may, upon request from any agency or institution, authorize that agency or institution to make the reductions in such a manner so as to minimize the required leave without pay days.

SECTION 3. The requirement for taking such leave without pay is not subject to the grievance procedures as provided in Sections 8-17-10 through 8-17-60 of the 1976 Code, and employees required to take such leave may not substitute compensatory time, annual, or sick leave.

SECTION 4. The board shall promulgate such regulations as may be necessary to ensure that the provisions of this act are equitably applied including, but not limited to the provision of salary schedule adjustments to distribute the impact of the reduction over the remainder of the fiscal year and such provisions as are necessary to allow agencies and institutions to schedule leave without pay days in an manner least disruptive to the delivery of services.

SECTION 5. Notwithstanding any other provisions of law the Board may promulgate such regulations as may be

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EXHIBIT

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STATE BUDGET & CONTROL BOARD

necessary to allow employees whose retirement is affected by the provisions of this act the option of paying the employee share into the retirement fund equal to the credit lost due to the leave without pay authorized by this act. The employer's share of the retirement contribution must be paid by the employing agency.

SECTION 6. The regulations promulgated by authority of this act are not subject to Act 176 of 1977 (the Administrative Procedures Act).

SECTION 7. This act shall take effect upon approval by the Governor.

015747

House: Ways and Means Committee
Attorney: Todd
Stenographer: Haynes
Date: 1-27-83
No.: 1113A

EXHIBIT
JAN 26 1983 NO. 1
STATE BUDGET & CONTROL BOARD

A JOINT RESOLUTION

TO AUTHORIZE THE REDUCTION OF SCHOOL DAYS BY SCHOOL DISTRICTS IN CERTAIN CIRCUMSTANCES AND TO PROVIDE PROCEDURE FOR IMPLEMENTING THE REDUCTION.

Whereas, the State Budget and Control Board is directed by state law to restrict the expenditures of state funds if the board determines that a deficit may occur, and the State Department of Education is required to reduce school district entitlements of state funds due to a reduction in the state's contribution according to the South Carolina Education Finance Act of 1977, and the required local funding under the Education Finance Act is reduced proportionately to the reduction in the state's contribution; and

Whereas, the Budget and Control Board has ordered such restrictions on the expenditure of state funds in the current fiscal year, and it appears that further such restrictions may be placed on the expenditure of state funds, including those which are the state's contribution according to the Education Finance Act; and

Whereas, the statutory school term is currently set at one

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EXHIBIT

JAN 26 1983

NO. 1

STATE BUDGET & CONTROL BOARD

hundred eighty-five days; and

Whereas, the successful completion of the school term is predicated on the appropriation of a certain amount of state funds, and state funds have been significantly reduced below their original levels; and

Whereas, over eighty percent of the budget of a school district is allocated to the payment of salaries; and

Whereas, many school districts in the State receive the large majority of the funds to operate their schools from the State, and state funds are now insufficient to fulfill the financial obligations of the districts for the entire one hundred eighty-five day school term. Now, therefore, Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Notwithstanding any other provision of law, for the 1982-83 school year only, the board of trustees of any school district that is financially unable to complete the one hundred eighty-five day school term may petition the State Board of Education for the cancellation of up to five days of the school term. The petition shall provide proof that the district must cancel the requested number of days in order to meet its financial obligations for the school term, due to the reduction in anticipated state funds originally budgeted for the payment of salaries. No schools may be closed pursuant to this act for more than

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two consecutive days. The salaries of all personnel must be reduced in proportion to the number of days cancelled. No personnel may use any paid leave for the days cancelled. Employees whose retirement may be affected by the provisions of this act may pay the employee share into the retirement fund equal to the credit lost due to the cancellation of school days pursuant to this act. The employer's share of the retirement contribution shall be paid by the employing district.

SECTION 2. This act shall take effect upon approval by the Governor.

EXHIBIT
JAN 26 1983 NO. 1
STATE BUDGET & CONTROL BOARD

015750

House: Ways and Means Committee
Attorney: Todd
Stenographer: Haynes
Date: 1-26-83
No.: 1108A

A JOINT RESOLUTION

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE LAW
ENFORCEMENT TRAINING COUNCIL TO THE GENERAL FUND OF THE
STATE FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding the provisions of Section
23-23-70 of the 1976 Code or any other provision of law,
for the 1982-83 fiscal year five hundred thousand dollars
is transferred from the Law Enforcement Building and
Maintenance Fund to the General Fund of the State.

SECTION 2. This act shall take effect upon approval by
the Governor.

EXHIBIT
JAN 26 1983 NO. 1
STATE BUDGET & CONTROL BOARD

015751

House: Ways and Means Committee
Attorney: Todd
Stenographer: Lee
Date: January 26, 1983
No.: 1107A

A JOINT RESOLUTION

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE PAYING
PATIENTS ACCOUNT OF THE STATE DEPARTMENT OF MENTAL HEALTH
TO THE GENERAL FUND OF THE STATE FOR THE 1982-83 FISCAL
YEAR.

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

SECTION 1. Notwithstanding any other provisions of law.

For the 1982-83 fiscal year three million dollars is
transferred from the Paying Patients account of the State
Department of Mental Health to the General Fund of the
State.

SECTION 2. This act shall take effect upon approval by
the Governor.

EXHIBIT
JAN 26 1983 NO. 1
STATE BUDGET & CONTROL BOARD

015752