

MINUTES OF BUDGET AND CONTROL BOARD MEETING

OCTOBER 29 1974

The Budget and Control Board met at 3:00 p. m. on October 29, 1974, in the Conference Room of the Governor's Office with the following members in attendance.

Governor John C. West
Senator Rembert C. Dennis
Mr. Frederick J. LeMond
Mr. Henry Mills
Mr. Grady L. Patterson, Jr.

Also in attendance were Messrs. P. C. Smith and W. T. Putnam.

The following business was conducted.

DEPARTMENT OF SOCIAL SERVICES - Mr. Horace Jackson, of the Department of Social Services, appeared before the Board to request permission to contract with the Blue Cross Insurance Company to perform certain audit functions which are required in the Nursing Home Program. Mr. Jackson advised that Blue Cross now performs essentially this same audit review for its own purposes in administering the Medicare Program and it appears reasonable that this audit might be slightly altered to meet the requirements of the Department of Social Services.

Mr. Jackson estimated that the cost would be approximately \$140,000 annually but stressed the fact that his Agency would receive an in-depth audit which is not now being achieved.

The Board approved this request.

DEPARTMENT OF MENTAL RETARDATION - Dr. Charles Barnett appeared before the Board to request authority to acquire a nursing home located at Hartsville, South Carolina for use by his Agency in caring for the mentally retarded. Dr. Barnett described the facility as having ninety-two beds and six acres of land and having an appraised value of \$965,000.

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Dr. Barnett stated that the acquisition of this facility would cause some reduction in the waiting list of patients, but that the primary purpose would be to house patients who qualify for Medicaid. This facility is in good repair and will meet the requirements for Medicaid support.

The Budget and Control Board approved the acquisition of this facility through the use of Capital Improvement Bond funds.

DEPARTMENT OF CORRECTIONS - Mr. William Leeke, Director of the South Carolina Department of Corrections, appeared before the Board to present plans for the transition to regional institutions and the ultimate abandonment of the present Central Correctional Institution.

Mr. Leeke and members of his staff conducted a twenty minute slide presentation showing present conditions in the prison system and outlining plans for the future. They also supplied Board members with a brochure containing the plans for long range funding for the various projects.

After a thorough discussion of the presentation, the Budget and Control Board took the following action.

(1) Gave general approval to the overall concept for development of the regional facilities.

(2) Gave approval for construction at Greenwood, Spartanburg, Greenville and Columbia.

(3) Agreed to increase the 1974-75 Capital Improvement Bonds funds allocation to the Department of Corrections by approximately \$332,000.

In a separate presentation, Mr. Leeke advised the Budget and Control Board of a desperate need for supplemental funds totaling \$1,494,698.00. In his plea for these funds, Mr. Leeke pointed to a very heavy influx of prisoners from various county units and rapidly increasing costs.

The Budget and Control Board agreed to endorse Mr. Leeke's request for supplemental funds when the General Assembly convenes in January of 1975.

Data presented by Mr. Leeke have been retained in these files and are collectively identified as Exhibit I.

MEDICAL UNIVERSITY - The Budget and Control Board approved a request of the Medical University for permission to reimburse the Spartanburg General Hospital for construction totaling \$268,031 for facilities which will be used in the statewide Family Practice Program.

Data pertaining to this matter has been retained in these files and is identified as Exhibit II.

BUDGET AND CONTROL BOARD MINUTES - Budget and Control Board members, having been supplied with copies of the minutes of the meeting of September 24, 1974, approved these minutes as written.

BUDGET REQUESTS - APPEALS FOR INSTITUTIONS OF HIGHER LEARNING - Mr. P. C. Smith reported that he had definite indications from the College of Charleston, Winthrop College, Clemson University, and possibly the University of South Carolina that each would like to appeal to the Budget and Control Board concerning the recommendations made by the Commission on Higher Education.

After discussion, Board members unanimously agreed that Mr. P. C. Smith should meet with representatives of each institution and representatives from the Commission on Higher Education to attempt to resolve their differences.

INDUSTRIAL REVENUE BONDS - SPARTANBURG COUNTY - On July 23, 1974, the Budget and Control Board approved a Petition of Spartanburg County for Industrial Revenue Bonds in the amount of \$1,800,000 for Spartanburg Warehouse Associates. At its present meeting, the Board approved a Petition of Spartanburg County to amend the original total to \$2,100,000 and to approve interest rates not to exceed 9.25%.

A copy of the amended Resolution has been retained in these files and is identified as Exhibit III.

CLARK HILL AUTHORITY - The Budget and Control Board approved a request of the Clark Hill Authority for the hiring of the firm of Davis and Floyd, Engineers, Inc. to prepare an environmental impact statement relative to the Little River Master Plan.

Data pertaining to this request has been retained in these files and is identified as Exhibit IV.

COLLEGE OF CHARLESTON - Mr. P. C. Smith reported that the College of Charleston had accepted bids for landscaping and that the successful bidder had offered to perform the task for \$20,000. It has now become apparent that the successful bidder had overlooked numerous factors in submitting the bid, and that he would like to withdraw, permitting the College to retain his bond of \$1,300.

The Board unanimously authorized the College of Charleston to permit this withdrawal and to accept the next low bid for the landscaping project.

COMMITTEE ON THE STATUS OF WOMEN - Mr. P. C. Smith reported that he had received a request from the Committee on the Status of Women asking for a budget hearing before the Board. Members discussed the possibility of such a hearing but took no formal action upon the request.

BUDGET AND CONTROL BOARD MEETING - Board members agreed to meet again during the latter part of the week of November 3, 1974, for the primary purpose of discussing the 1975-76 budget.

PRELIMINARY BUDGET REPORT - Mr. P. C. Smith furnished Board members with preliminary budget data for study prior to the next meeting. A copy of this data has been retained in these files and is identified as Exhibit V.

Mr. Henry Mills made a motion that the Board definitely recommend a ten percent base increase for teachers and State employees for the fiscal year 1975-76. This matter was taken under advisement.

GENERAL SERVICES DIVISION - Mr. Furman McEachern appeared before

the Budget and Control Board to present the following items of business.

LACE HOUSE PROPERTY - Mr. McEachern advised that the General Assembly had provided \$85,000 for the purchase of property adjacent to the Lace House, but that the owners were now asking \$90,000. The Board approved the payment of this amount upon receiving Mr. McEachern's assurance that the additional funds could be made available from existing sources.

VEHICLE ACQUISITION - Mr. McEachern advised that the bid for the type of car available for Department Heads of Agencies with budgets exceeding \$4,000,000 had been won by the Chrysler Corporation and that it was proposed that Chrysler Newports would be furnished to these individuals. According to Mr. McEachern, a number of Department Heads objected to using the Chrysler Newports and were asking for permission to choose other types of automobiles.

The Budget and Control Board authorized Mr. McEachern to permit these Department Heads to select other comparable types of automobiles.

MORGAN ISLAND - Mr. McEachern advised the Budget and Control Board that Morgan Island had been offered to the State of South Carolina for \$1,100,000 and that either the Wildlife Department or Parks, Recreation and Tourism would be happy to administer the property. However, neither had funds available for its purchase.

Mr. McEachern was requested to contact officials of the Heritage Trust to see if that group was interested in assisting in the acquisition of the property in question.

PARKING FOR AGENCY HEADS - Mr. McEachern reported that numerous agency heads were continuing to press for reserved parking for themselves and for State owned vehicles and asked for Board comments on this subject.

Board members unanimously agreed to defer any action on this matter until a subsequent time.

Data pertaining to the items presented by the General Services Division has been retained in these files and is identified as Exhibit VI.

PERSONNEL DIVISION - Dr. Jack Mullins appeared before the Budget and Control Board to present the following items of business.

ASSISTANT DIRECTOR - COURT ADMINISTRATION - Dr. Mullins reported that the Chief Justice of the Supreme Court had requested the declassification of the position of Assistant Director of Court Administration and further requested that this individual should serve at the discretion of the Chief Justice.

The Budget and Control Board approved this request.

SALARY SURVEY - At a previous meeting, the Budget and Control Board had authorized the Personnel Division to seek a consulting firm to conduct a salary survey for positions of both the State of South Carolina and political subdivisions. Dr. Mullins reported that he had received three proposals for the conducting of the survey and recommended the hiring of Frank C. Brown Company at a cost of approximately \$25,000. Dr. Mullins further advised that this Organization had agreed to complete the project and submit a final report by February 1, 1975. The Board approved this recommendation.

EXTENDED SICK LEAVE - At the request of Dr. Mullins, the Board approved a ten day extension of sick leave for the following individuals.

Augustus A. Fitch, Jr., - Highway Department
Ron L. Shady - Technical and Comprehensive Education

Dr. Mullins advised that the next item of business pertained to a personnel matter. The Board, therefore, unanimously declared itself in Executive Session.



South Carolina
Department of Corrections

EXHIBIT I
OCT. 29, 1974

P. O. BOX 766/444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 758-6444
WILLIAM D. LEEKE, Director

October 25, 1974

Mr. P. C. Smith
State Auditor
P. O. Box 11333
Columbia, South Carolina 29211

Dear Mr. Smith:

In receiving the Department of Corrections Allocation of Capital Improvements Bond Funds for 1974-75, we note that none of the \$ 7,500,000 authorized by the 1974 General Assembly was approved, while we had asked for an allocation of \$ 2,700,000 to begin architectural studies and preliminary plans on several projects.

We have no other funds available for this purpose, and unless we can begin immediately the overcrowded conditions will multiply and we will find ourselves in an extremely serious situation. We, therefore, earnestly solicit reconsideration of our allocation request in order to expedite plans for phasing out Central Correctional Institution.

The Department of Corrections allocation for 1974-75 was only \$ 2,078,000, from Acts 1272-1970 and 354-1973. This is \$ 332,000 short of funds already committed for projects authorized under these Acts.

I will be glad to meet with you personally to discuss this matter more in detail.

Sincerely,

William D. Leeke

WDL:hh
(ENC)
S. C. DEPT. OF CORRECTIONS

BOARD OF
CORRECTIONS

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Chairman
Florence, S. C.

NORMAN KIRKLAND
Vice Chairman
Bamberg, S. C.

W. M. CROMLEY, JR.
Secretary
Saluda, S. C.

CHARLES C. MOORE
Member
Spartanburg, S. C.

CLARENCE E. WATKINS
Member
Camden, S. C.

MRS. LOUIS E. CONDON
Member
Mt. Pleasant, S. C.

GOV. JOHN C. WEST, Member, Ex-Officio, Columbia, S. C.



South Carolina Department of Corrections

P. O. Box 766-4344 BROAD RIVER ROAD, COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 772-5520

WILLIAM D. LEEKE, Director

September 4, 1974

Mr. P. C. Smith
State Auditor
P. O. Box 11333
Columbia, South Carolina 29211

Dear Mr. Smith:

In view of the fact that we did not receive sufficient funds to complete the phase out of Central Correctional Institution, over a five year period, we have found it necessary to revise our five year plan somewhat in order to use the 1974-75 Appropriation of \$ 7,500,000 to the best advantage.

Although we must give consideration to our needs for warehousing, sewer facilities and beginning an architectural study for removing the Hospital Complex at Central Correctional Institution, we have given top priority to providing living quarters and plan for at least 550 beds from funds now available.

I would like to review briefly our revised plan of procedure and we are forwarding E-1 forms on each project for the consideration of the Budget and Control Board.

1. Greenwood County - Phase I - 100 bed facility - Estimated Cost \$ 2,185,512 of which \$ 45,000 would be used for the purchase of 65 acres of land from Greenwood County. This land is now under a five year lease and prospects for a long term lease are extremely slim. The county executive has indicated that the county would prefer to sell the 65 acres, including an existing facility and timber rights. This would give us more than adequate space for any future expansion in the Greenwood area.
2. Spartanburg County - Phase I - 250 bed facility - Estimated Cost \$ 2,492,362. This unit would be constructed on property at the Northside Correctional Center site which we recently obtained from Spartanburg County. This would be a minimum security institution.
3. Greenville County - Phase I - 100 bed facility - Estimated Cost \$ 1,664,970. This unit would be constructed on property at the Oak Lawn Correctional Center site which we recently obtained from Greenville County. This would be a medium security institution.

BOARD OF
CORRECTIONS

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Florence, S. C.

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Mr. P. C. Smith
State Auditor
September 4, 1974
Page Two

4. Richland County, Broad River Road Section - 100 bed addition to existing Goodman Correctional Institution - Estimated Cost \$ 772,381. This is a minimum security institution.
5. Richland County, Broad River Road Section - Architectural Study for a Hospital Complex - Estimated Cost \$ 168,930. It is imperative that we begin immediately on this project as adequate facilities must be available before the final phase out of Central Correctional Institution.
6. Richland County, Broad River Road Section - Sewer Lines - Estimated Cost \$ 85,000. This project is necessary for compliance with Department of Health and Environmental Control ruling that no additional bedspace may be constructed prior to upgrade of waste treatment facilities. This expenditure will effect tie-in of Department of Corrections facilities into City of Columbia waste treatment lines.
7. Richland County, Broad River Road Section - Warehouse facilities - Estimated Cost \$ 125,000. Phase out of Central Correctional Institution will necessitate replacing warehousing space at that location. The expanding scope of operations also requires additional warehousing space to accommodate larger quantities of materials.

The total amount of this proposal is \$ 7,494,155. While construction cannot begin before January 1975, we do need \$ 300,000 by December 31, 1974 to begin preparation of architectural plans. We estimate construction requirements of \$ 2,700,000 between January 1 and June 30, 1975, with the balance of \$ 4,500,000 to be required during fiscal 1975-76.

We are also enclosing our request for the balance of \$ 1,078,000 from Act 1272 of Acts of 1970 and \$ 1,332,000 from Act 354 of Acts of 1973. These projects will be completed prior to June 30, 1975.

I shall appreciate your favorable consideration of this proposal and will be glad to meet with you personally or furnish any other information desired.

Respectfully submitted,

William D. Leeke, Director

WDL/rp

Encl.

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: RELOCATION OF CENTRAL CORRECTIONAL INST.
(b) Bond Funds Authorized By Act Number(s) and Year(s): 1487-1974
(c) Budget and Control Board Project Number (if assigned): _____

3. (a) Total Cost Of Project \$ 7,500,000
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 7,500,000)
(2) Other (Specify): _____ (\$ _____)

4. Status Of Project
(a) Under Construction Now
(1) Date Contract Executed _____
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract JANUARY 1975

5. Estimated Cash Requirements
(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>300,000</u>
Less Cash On Hand, July 1, 1974	_____
Balance	<u>300,000</u>
January 1 - June 30, 1975	\$ <u>2,700,000</u>
After June 30, 1975	<u>4,500,000</u>
Total	\$ <u>7,500,000</u>

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: WOMEN'S SECURITY COMPLEX
(b) Bond Funds Authorized By Act Number(s) and Year(s): 354-1973
(c) Budget and Control Board Project Number (if assigned): 21-45 PHASE II

3. (a) Total Cost Of Project \$ 2,037,000
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 1,332,000)
(2) Other (Specify): 1973-74 APPRO. ACT. PART II (\$ 705,000)
SECTION I - ITEM 17

4. Status Of Project

(a) Under Construction Now
(1) Date Contract Executed _____
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract OCTOBER 1974

5. Estimated Cash Requirements

(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>NONE</u>
Less Cash On Hand, July 1, 1974	_____
Balance	_____
January 1 - June 30, 1975	\$ <u>1,200,000</u>
After June 30, 1975	<u>132,000</u>
Total	\$ <u>1,332,000</u>

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: ADDITIONS TO YOUTH CORRECTION CENTER
(b) Bond Funds Authorized By Act Number(s) and Year(s): ACT 1272 - 1970
(c) Budget and Control Board Project Number (if assigned): 21-44

3. (a) Total Cost Of Project BALANCE TO FINISH \$ 293,000
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 293,000)
(2) Other (Specify): (\$ _____)

4. Status Of Project

(a) Under Construction Now \$ 80,000
(1) Date Contract Executed JULY 1974
(b) Not Under Construction Now \$ 213,000
(1) Estimated Date For Award Of Contract AS SOON AS FUNDS ARE AVAILABLE

5. Estimated Cash Requirements

(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>293,000</u>
Less Cash On Hand, July 1, 1974	_____
Balance	<u>293,000</u>
January 1 - June 30, 1975	\$ _____
After June 30, 1975	_____
Total	\$ <u>293,000</u>

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: MEN'S MAXIMUM SECURITY COMPLEX
(b) Bond Funds Authorized By Act Number(s) and Year(s): 1272 - 1970
(c) Budget and Control Board Project Number (if assigned): 21-46 PHASE I

3. (a) Total Cost Of Project BALANCE TO FINISH \$ 1,258,865
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 1,258,865)
(2) Other (Specify): _____ (\$ _____)

4. Status Of Project

(a) Under Construction Now
(1) Date Contract Executed MARCH 1973
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract _____

5. Estimated Cash Requirements

(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>1,258,865</u>	
Less Cash On Hand, July 1, 1974		<u>473,865</u>
Balance		<u>785,000</u>
January 1 - June 30, 1975	\$ _____	
After June 30, 1975	_____	
Total	\$ <u>1,258,865</u>	

FIVE-YEAR PLAN FOR PHASE-OUT OF CCI

	1975	1976	1977	1978	1979	End Result
GREENWOOD	RCCO/ISC, 50 Min/50 Med RCC, inc. industries fac., kit. & din. rm., & maint. fac. \$2,185,512		Complete RCC - expand cap. by 100 min. & 50 med. & add chapel, ed. center, rec. bldg. & outdoor ath. area. \$2,716,173			RCCO/ISC (14) RCC 150 Min. 100 Med.
SPARTANBURG (Northside)	RCCO, 250-man min. RCC, inc. kit. & din. rm., maintenance, fac., adm. bldg., med. fac., and commissary \$2,492,362	Complete Northside RCC, inc. chapel, ed. center, industries fac., and multi-purpose rec. bldg. \$1,375,655				RCCO RCC 250 Min.
GREENVILLE (Oaklawn)	100-Man Med RCC \$1,664,970	Complete RCC - expand cap. by 150 med spaces and add adm. bldg., med. fac., kit. & din. rm., commissary, maint. fac., chapel, ind. fac., ed. center, rec. bldg. & ath. area. \$4,779,203				RCC 250 Med.
BROAD RIVER ROAD COMPLEX	Increase cap. of Good- man Cor. Inst. by 100, add sewer lines, commissary warehouse, architectural planning and design for hospital complex \$7,494,155		New hospital complex, inc. 80-bed hospital, 50-bed pre-sentence psy. wing, 50-bed inmate psy. wing, 100-man max. sec. fac., and RCCO/ISC for Midlands Region. \$7,626,728	Correctional industries facility \$3,500,000	Renovate Reception and Evaluation Center in Columbia for use as service complex trustee center. \$ 350,000	RCCO/ISC (50) beds 100 Min. 100 Max. 80 Trustee

(continued on page 2)

FIVE-YEAR PLAN FOR PHASE-OUT OF CCI

	1975	1976	1977	1978	1979	End Result
FLORENCE		RCCO/ISC, 100-man min./ 50-man med., inc. adm. bldg., med. facility. kit. & din. rm., commissary, and maint. facility. \$3,846,637			Complete RCC - expand cap. by 100 med spaces and add chapel, ed. center, industries fac., & rec. bldg. \$3,476,348	RCCO/ISC (50) RCC 100 Min. 150 Med.
CHARLESTON				RCCO/ISC \$1,650,000		RCCO/ISC (50)
ROCK HILL				100-man min/50-man med RCC, including adm. bldg., med. fac., kit. & din. rm., commissary & maint. fac. \$2,457,692	Complete RCC - expand cap. by 50 min/50 med spaces and add chapel, ed. center, ind. fac., and rec. bldg. \$2,908,143	RCC 150 Min. 100 Med.
CHARLESTON OR ORANGEBURG				100-man min/50 man med RCC, inc. adm. bldg., med. fac., kit. & din. rm., commissary & maint. fac. \$2,457,692	Complete RCC - expand cap. by 50 min/50 med spaces and add chapel, ed. center, ind. fac., and rec. bldg. \$2,908,143	RCC 150 Min. 100 Med.

COST SUMMARY:

FY 1976-----	\$10,001,495
FY 1977-----	\$10,342,901
FY 1978-----	\$10,065,384
FY 1979-----	\$ 9,642,634
Total	\$40,052,414
Less est. funds from sale of CCI	\$10,000,000
Net Estimated Total Required	\$30,052,414

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UNFAMILIAR ABBREVIATIONS USED ON SLIDES

RCCO: REGIONAL CORRECTIONS COORDINATING OFFICE - THE "HEADQUARTERS" OF A CORRECTIONAL REGION.

ISC: INTAKE SERVICE CENTER - A FACILITY THROUGH WHICH AN INMATE ENTERS THE STATE CORRECTIONAL SYSTEM.

RCC: REGIONAL CORRECTIONAL CENTER - A REGIONAL FACILITY FOR HOUSING INMATES.

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
PROJECTION OF ADDITIONAL FUNDS NEEDED FOR FISCAL 1974-75

S U M M A R Y

1.	SUPPLEMENTAL FUNDING - EMERGENCY HEALTH SERVICES (ATTACHMENT I)	\$ 258,026
2.	GENERAL OPERATING FUNDS BASED ON AVERAGE OF ACTUAL EXPENDITURES FOR FIRST QUARTER OF FISCAL YEAR (ATTACHMENT II)	708,383
3.	PERSONAL SERVICE FUNDS ALREADY COMMITTED (ATTACHMENT III)	428,964
4.	ASSUMPTION OF COUNTY FACILITIES -- TO COVER COST OF RENOVATING AND OPERATING ADDITIONAL COUNTY SYSTEMS NOW IN THE PROCESS OF DISCONTINUING OPERATIONS (ATTACHMENT IV)	99,325
		<hr/>
	TOTAL SUPPLEMENTAL FUNDS NEEDED	\$1,494,698

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
SUPPLEMENTAL FUNDING REQUEST FOR
EMERGENCY HEALTH SERVICES, FY-75

Attachment I

Personnel

Central Correctional Institution	\$41,600	
Reception & Evaluation Center	16,800	
Manning Correctional Institution	12,100	
Wateree River Correct. Inst.	5,600	
Appalachian Region	18,200	
Support Physician	16,000	
Kirkland Correctional Institution	67,660	
Administrative	12,666	
Total Personnel		\$190,626

Medical Equipment & Supplies

Kirkland Correctional Institution	\$15,000	
Manning Correctional Institution	2,400	
Appalachian Region	35,000	
Total Equipment & Supplies		\$ 52,400

Construction

Appalachian Region		\$ 15,000
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TOTAL NEEDS

\$258,026

REQUEST FOR SUPPLEMENTAL FUNDING - HEALTH SERVICES -FY-75

REFERENCES:

1. Enclosure 1 - Summary of Department of Corrections Health Care Resources.
2. Enclosure 2 - List of new positions and resources required by November 1, 1974.
3. Enclosure 3 - List of new positions required to staff Kirkland Correctional Institution for Medical, Dental, Psychiatric and Nursing care by March 1, 1975.
4. Enclosure 4 - Capital Improvements required for Dental Care, primarily in the Appalachian Region.
5. Enclosure 5 - List of positions and resources required by the Director, Division of Health Services, for coordination and management of Health Services.
6. Enclosure 6 - Recommended Infectious Disease Control Measures.

There is an urgent need for the Department of Corrections to double the number of employees in Health Services to provide adequate health care for inmates. Currently there are approximately 4,300 inmates in 27 institutions throughout the State. The inmate population in these institutions ranges from a low of 40 to over 1,600 in the largest institution. The total population figure is not a valid figure for determining or measuring health care workload. For example, over 3,000 inmates were processed into the system the first nine months of this year, and over 2,000 inmates were released; therefore, the population served by health care over a period of one year is approximately 9,000 inmates.

The lack of medical attention coupled with improper medical treatment is the most frequent complaint from prisoners. In many cases these complaints are justified, primarily due to limited resources. The maintenance and improvement of prisoners' health is of vital importance for their adjustment in prison and protection of the population. For some prisoners, arrest and imprisonment are a blessing with regard to health care since

many have long neglected ailments which are initially detected and treated or corrected while in confinement. Because of the close proximity of large groups of prisoners in confinement within a small area, contagious diseases spread rapidly and can affect other prisoners, and to a lesser degree officers and others who come into daily contact with inmates. Venereal Disease is an example of a continuing problem since it can be spread rapidly without close surveillance from the Medical Department and cooperation from the inmate population. For these reasons it is imperative that inmates be given a prompt and thorough physical examination upon arrival at the Reception and Evaluation Center.

A physical examination is extremely valuable since it establishes a profile of the prisoner, and resolves any questions about whether a prisoner was injured, diseased or mentally ill prior to entering jail. It also detects prisoners who need immediate or emergency treatment, and is the basis for initiating treatment for drug addicts, diabetics, epileptics, and other diseases.

Funding in the amounts indicated on the attached enclosures is absolutely necessary to establish and operate an adequate health care delivery system for inmates.

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

Current Health Care Resources

1. Facilities Operated

Medical 70 Bed General Infirmary (CCI)
 30 Bed Cellblock #2, Psychiatric Care (CCI)
 12 Bed Minimum Nursing Care Facility (WCI)
 Medical Clinic (Manning)
 Medical Clinic (Goodman)
 Medical Clinic (Wateree)
 Medical Clinic (R&E Center)
 Medical Clinic (Blue Ridge Pre-Release)

Dental 2 Chairs (CCI)
 1 Chair (MYCC)
 1 Chair (Manning) No X-Ray Capability
 2 Chairs (Wateree)
 1 Chair (WCI)
 Dental Laboratory (Manning)

2. Personnel - CCI

2 General Practice Physicians, 14 Medical Technicians, 2 Pharmacists, 1 Operating Room Nurse, 1 Business Manager, 1 X-Ray Technician, 1 Medical Laboratory Technician, 1 Medical Records Technician. 1 Dentist and 1 Dental Technician. 1 Psychiatrist, 1 Counselor and 1 Secretary.

Manning 1 Dentist (supports Wateree, WCI)
 1 Medical Technician
 WCI 2 Registered Nurses and 1 Medical Technician
 Goodman 1 Medical Technician
 Wateree 1 Medical Technician
 MYCC 1 Medical Technician
 R&E 1 Medical Technician
 Blue Ridge 1 Inmate Medical Technician

IMMEDIATE NEED FOR HEALTH CARE RESOURCES

CENTRAL CORRECTIONAL INSTITUTION

<u>POSITION</u>	<u>NR ASSIGNED</u>	<u>ADDITIONAL NR REQUIRED</u>	<u>FY 75 COST (Nov. 74 - June 75)</u>
Nurse Supervisor (The existing position is used to supervise the operating room and central sterile supply.) The additional nurse is required to supervise clinical nursing for the medical and surgical inpatients which averages approximately 50 per day. At present there is no professional nursing supervision for either the Medical or Surgical Wards.	1	1	\$ 8,000.00
Medical Assistants The existing positions are used to provide 24 hour a day coverage for two 35-man inpatient wards, emergency room and provide clinical support for treatment room, pill line, physical examination function and related clinical support functions. The additional positions will provide 24-hour coverage for each ward which is absolutely essential to provide male patients with minimum inpatient nursing care.	14	4 @ \$5,600	22,400.00
Medical Records Clerk A records clerk is essential to maintain and provide security for outpatient records, and to schedule appointments for the consultants in general surgery, orthopedic surgery, optometry and internal medicine.	0	1	5,600.00
Dental Hygienist Required to support a population of approximately 2,000 at CCI, R&E, and MDRC.	0	1	5,600.00

RECEPTION & EVALUATION CENTER, COLUMBIA AND COUNTY JAIL (Population 250)

Medical Assistant	1	2 @ \$5,600	11,200.00
Medical Records Clerk (Records Clerk required to initiate medical records, process laboratory and x-ray specimens; schedule medical and dental appointments and perform related duties.)	0	1	5,600.00

MANNING CORRECTIONAL INSTITUTION (Population 400)

Medical Assistant	1	1	5,600.00
Dental Technician (Technician will be used to fabricate complete and partial dentures.) Currently the Department is purchasing prosthetics from a laboratory at an estimated cost of \$18,000 yearly. A full time Dental Technician can be hired for approximately \$9,000 per year and the estimated cost of supplies is \$2,500 for approximately 50 cases per month. A Technician will save the Department an estimated \$6,000 per year.	0	1	6,500.00

WATEREE RIVER CORRECTIONAL INSTITUTION (Population 350)

<u>POSITION</u>	<u>NR ASSIGNED</u>	<u>ADDITIONAL NR REQUIRED</u>	<u>FY 75 COST (Nov. 74 - June 75)</u>
Medical Assistant	1	1	\$ 5,600.00

HILLCREST CORRECTIONAL CENTER (Population Approx. 750)
(Appalachian Region - includes 8 institutions with an
estimated population of 750)

Medical Assistant	0	2 @ \$5,600	11,200.00
Nurse Practitioner	0	1	7,000.00

GENERAL SUPPORT FOR ABOVE INSTITUTIONS

Physician, General Practitioner	2	1	16,000.00
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TOTAL FY 75 COST.....			\$ 86,500.00
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STAFFING REQUIREMENTS FOR KIRKLAND CLINIC & NURSING CARE FACILITY*
(To be opened in March 1975)

<u>RESOURCE</u>	<u>NR REQUIRED</u>	<u>ANNUAL COST</u>	<u>FY 75 COST (March - June 75)</u>
Business Manager	1	\$12,000.00	\$ 4,000.00
Nurse Supervisor	1	12,000.00	4,000.00
Medical Assistants	9 @ \$7,000	63,000.00	21,000.00
Medical Laboratory Technician	1	8,000.00	2,666.00
X-Ray Technician	1	8,000.00	2,666.00
Pharmacist	1	12,000.00	4,000.00
Pharmacist's Assistant	1	7,000.00	2,333.00
Medical Records Clerk	1	7,000.00	2,333.00
Psychiatric Aides	6 @ \$7,000	42,000.00	14,000.00
Dentist	1	25,000.00	8,333.00
Dental Assistant	1	7,000.00	2,333.00
Supplies			15,000.00
			<hr/>
			\$82,660.00

*Kirkland Clinic will support the following institutions:

Watkins Pre-Release Center; Goodman Geriatric Correctional Institution; Walden Correctional Institution. Pharmacy and Central Supply items will also be provided to Lower Savannah and Upper Appalachian Region. Dental care will be provided to the Savannah and Appalachian Region pending construction of a Clinic in Greenville to support those regions.

REQUIRED CAPITAL IMPROVEMENTS

1. Dental X-Ray Unit (Manning Correctional Institution).	\$ 2,400.00
2. Construction of a 500 sq. ft. Dental Clinic at Hillcrest Correctional Institution, Greenville, S.C. (for Dental care in the Appalachian Region - includes eight institutions).	15,000.00
3. Equipment for three Dental operatives, including dental units, handpieces, x-ray and miscellaneous equipment.	35,000.00
	<hr/>
	\$52,400.00

ENCLOSURE 5

RESOURCES REQUIRED TO SUPPORT THE OFFICE OF THE DIRECTOR, DIVISION OF HEALTH SERVICES

<u>RESOURCE</u>	<u>NR ASSIGNED</u>	<u>NR REQUIRED</u>	<u>ANNUAL COST</u>	<u>FY 75 COST (Nov.74-June 75)</u>
Administrative Assistant I	0	1	\$ 9,000.00	\$ 6,000.00
Purchasing & Supply Manager	0	1	10,000.00	6,666.00
				<hr/>
				\$12,666.00

The Director, Division of Health Services, requires administrative assistance for coordination and management of Department health resources. The Department currently operates a 70-bed Central Infirmary, a 30-bed Psychiatric Unit, a 12-bed Nursing Care facility, and a 20-bed Clinic and Nursing Care facility is under construction. Additionally, there are 5 Medical Clinics and 5 Dental Clinics, although 4 of the Dental Clinics are operated on a part-time basis. In addition to these facilities, the Department has various contractual arrangements for limited medical, dental and optometry care throughout the State.

RECOMMENDATIONS FROM THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
FOR THE LONG RANGE CONTROL OF INFECTIOUS DISEASES WITHIN THE SOUTH CAROLINA
DEPARTMENT OF CORRECTIONS:

- I. Screening (Blood tests and physical examinations)
 - A. New inmates
 1. On arrival (R&E)
 2. 30 days later
 - B. Transferees
 1. On arrival at new facility
 2. 30 days later
 - C. Safekeepers
 1. On arrival
 2. Quarantine until blood test results are known
 3. 30 days later
 - D. Inmates returning from State Hospital
 1. On return
 2. 30 days later
 - E. "Work Release" prisoners and "outside workers" monthly--as a condition of work release or outside work.
 - F. All inmates returning from authorized leave
 1. On return
 2. 30 days later
 - G. The entire correctional system population annually
- II. Reporting to V.D. Control (SCDHEC) immediately
 - A. Suspicious lesions
 - B. Diagnosed cases
 - C. Positive serologies for syphilis not performed at the SCDHEC Laboratory.
- III. No recrimination or reprisal by the Department of Corrections toward prisoners involved with V.D.
- IV. The provision at each facility of adequate space for DHEC V.D. workers to conduct confidential interviews of V.D. patients.
- V. The establishment of a "V.D. Council" of inmates with the goal and means of providing V.D. education to the inmate population. Orientation and training of the Council members could be undertaken by DHEC.

GENERAL OPERATING EXPENSES

ADDITIONAL FUNDS REQUESTED FOR 1974-75
SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

Attachment II

<u>Classification</u>	<u>1974-75 Appropriation</u>	<u>Average Monthly Expense</u>	<u>1974-75 Total Needed</u>	<u>1974-75 Balance Needed</u>
Travel	\$ 100,811.00	\$ 9,000.00	\$ 108,000.00	\$ 7,189.00
<p>This addition required due to increase in mileage and subsistence approved by General Assembly with no funds being appropriated to cover. Also for increased travel to county units being taken over throughout the entire State.</p>				
Telegraph and Telephone	129,810.00	14,000.00	168,000.00	38,190.00
<p>This addition required to provide necessary telephone service to county units and new institutions.</p>				
Repairs	103,095.00	11,500.00	138,000.00	34,905.00
<p>We have recently been forced to replace an emergency generator at Manning Correctional Institution at a cost of \$ 9,500.00; and extensive roof repairs at Wateree Correctional Institution and Central Correctional Institution at a cost of \$ 9,000.00. All of these repairs were unforeseen and not provided for in our appropriation. These repairs, along with other emergencies which are sure to become necessary at the older existing institutions, makes this estimate conservative.</p>				
Water, Heat, Light and Power	442,435.00	42,500.00	510,000.00	67,565.00
<p>This supplement required due to increase of 22 percent in electric and natural gas rates and opening of new units to be occupied prior to July 1, 1975.</p>				
Food Supplies	810,000.00	102,000.00	1,224,000.00	414,000.00
<p>The inmate population is now in excess of 1,000 more than when this appropriation was recommended. The population continues upward and food prices on some items are almost prohibitive. Food prices have increased an average of 107.2 percent within the past year.</p>				

GENERAL OPERATING EXPENSES CONTINUED

-2-

<u>Classification</u>	<u>1974-75 Appropriation</u>	<u>Average Monthly Expense</u>	<u>1974-75 Total Needed</u>	<u>1974-75 Balance Needed</u>
Household Supplies	\$ 167,100.00	\$ 20,000.00	\$ 240,000.00	\$ 72,900.00

This increase is necessary to provide janitorial and other household supplies to meet requirements of the State Department of Health and Environmental Control. The deficit is caused by increased prices and opening of additional units.

Clothing and Dry Goods	301,966.00	31,300.00	375,600.00	73,634.00
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No county taken over to date has provided us with any clothing, making it necessary for us to completely outfit the entire population with clothing and linens. Prices are up an average of 25 percent on all items in this classification.

\$ 708,383.00

We have listed only the categories where we are certain to have major deficiencies and over which we have no control since necessary services and supplies must be provided regardless of cost. We are running considerably above available funds in several other categories; however, it is our intention to make adjustments to bring these expenditures in line with amounts appropriated.

	<u>PERSONAL SERVICE EXPENSE</u>			<u>Attachment III</u>
Personal Service				
1,152 Positions	9,147,800.00	794,314.00	9,531,768.00	383,968.00
Inmate Earnings	328,000.00	52,503.00	630,996.00	302,996.00
Revenue	258,000.00			(258,000.00)
Totals	9,733,800.00	846,897.00	10,162,764.00	<u>\$ 428,964.00</u>

The above figures do not include county operations.

COUNTY ASSUMPTION

PROGRAM FOR 1974-75

Attachment IV

Personal Service

Salaries:

Projected budget for county operations assumed to date (166)

\$ 1,106,169

Inmate Earning

64,464

Total Projected Budget

\$ 1,170,633

Appropriation

\$ 1,041,262

County Funds

111,598

(\$ 1,152,860)

Projected Deficit for Personal Service

\$ 17,773

Other Operating Expense

Projected budget for normal operating expense for county
operation assumed to date

\$ 433,268

Start up equipment

\$ 76,716

Renovations

77,300

154,016

Vocational Rehabilitation

32,260

Total Projected Budget

\$ 619,544

Appropriations

\$ 458,738

County Funds

79,254

(\$ 537,992)

Projected Deficit for other operating expense

\$ 81,552

Total Deficit

\$ 99,325

The South Carolina Department of Corrections has assumed the county prison systems in the following counties:

Spartanburg	Florence	Laurëns	Cherokee
Greenville	Greenwood	Newberry	
Aiken	Saluda	Abbeville	
Richland	McCormick	Edgefield	

The agency is negotiating with Sumter, Lexington, Fairfield, Kershaw and the city of Columbia for the city jail. This leaves (29) counties that could become a part of the South Carolina Department of Corrections' operation.

OFFICE OF THE VICE PRESIDENT & TREASURER
(803) 792-4291

EXHIBIT II
OCT. 29, 1974



Medical University of South Carolina

80 BARRE STREET / CHARLESTON, SOUTH CAROLINA 29401

October 7, 1974

Mr. P. C. Smith, Secretary
State Budget and Control Board
Post Office Box 11333
Columbia, South Carolina 29211

Dear Mr. Smith:

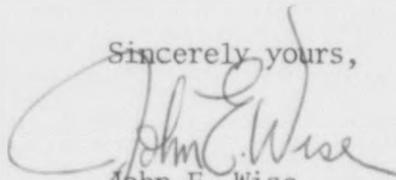
Spartanburg General Hospital has come to us with a request that they be allocated \$268,031 from the Statewide Family Practice Appropriation to be used for purposes of paying construction costs. This use of funds fits within the program objectives of the Appropriation. The Medical University of South Carolina respectfully requests permission of the State Budget and Control Board to reimburse Spartanburg General Hospital for this construction cost.

The following copies are attached: 1) Letter from Mr. Charles C. Boone, Director, Spartanburg General Hospital; 2) Request for assistance for construction of Family Practice Center; 3) Cost and construction data report; 4) Plans and specifications.

I will appreciate very much your advising me on this matter.

Best regards.

Sincerely yours,


John E. Wise
Vice President

JW/snb

SPARTANBURG GENERAL

101 East Wood Street • Spartanburg, South Carolina 29303



HOSPITAL

Telephone (803) 582-1231

August 1, 1974

Hiram B. Curry, M. D.
Professor and Chairman
Medical University of South Carolina
80 Barre Street
Charleston, South Carolina 29401

Dear Dr. Curry:

I would like to formally request payment in the amount of \$268,031 from the funds set up by the State Family Practice Program for the purposes of payment for the construction of our Family Practice teaching area. The total square footage set aside specifically and exclusively for the Family Practice Training Program in the new Ambulatory Care Center at Spartanburg General is 10,727. This was constructed at a cost of \$38.97 per square foot giving a total construction cost of \$418,031. Since we previously received for construction purposes \$150,000, this leaves a balance due of \$268,031.

I am certain you will recall our conversation of several months ago concerning our need for funds to complete this facility and as I stated at that time, Spartanburg General Hospital was proceeding with the construction of the expanded program for Family Practice based on our faith in the funds becoming available from the State Family Practice Residency Program.

We are nearing the completion of the Ambulatory Care Center now and the need for these funds is getting critical and I would appreciate your expediting in anyway possible our receipt of these monies.

If you need any additional information, I would appreciate your letting me know immediately so that we may supply what ever is needed for as I mentioned above, we need to move with all due haste in completing this arrangement.

Sincerely,

Charles C. Boone, F.A.C.H.A.
Director

CCB:sw

cc: James W. Colbert, Jr., M. D.

REQUEST FOR ASSISTANCE
FOR CONSTRUCTION OF
FAMILY PRACTICE CENTER

The Spartanburg General Hospital is nearing completion of its Ambulatory Care Center which houses the Family Practice Residency Program of the Spartanburg General Hospital, a part of the South Carolina Statewide Family Practice Residency Program. This Family Practice Center will be the operational base for 36 approved Family Practice Residency positions for physicians in Family Medicine at the Spartanburg General Hospital.

The Family Practice Residency Program at Spartanburg General Hospital has been operational since November 1, 1970, after being approved on April 3, 1970. The initial programs were primarily financed by the Appalachian Regional Commission. The program is currently at the level of 25 residents with four full time faculty members in the Department of Family Practice and has been housed in the old Health Department building.

The Family Practice Center is part of an Ambulatory Care Building for which planning began in 1970. The Appalachian Regional Commission and the Spartanburg County Board of Commissioners approved construction of a 75,000 square foot structure on June 30, 1970. During the final planning process and following consultation with the American Academy of Family Physicians, the United States Public Health Service and the South Carolina Department of Health and Environmental Control it was learned that the requirements for housing a residency program in Family Medicine could not be met with the existing building plans. This mandated a total redesign of the plans for the Ambulatory Care Building. This redesign of the plans resulted in a facility of approximately 99,323 square feet of which 10,727 square feet is allocated specifically to the Family Practice Center. Since the Family Practice Center is located in a complete Ambulatory Care Building the ancilliary facilities necessary for the Family Practice Program to function effectively such as Clinical Laboratory, Radiology Department, Medical Records, and files and storage were included in the respective departments which are part of the building and were not duplicated in the Family Practice Center. We were urged to go ahead with these plans by Medical University officials even though funds were not available, since they felt sure funds would come available when the Statewide Family Practice Program was approved by the State Legislature.

With the approval by the General Assembly of South Carolina of the Statewide Family Practice Residency Program and the funding that would permit its development, the Spartanburg General Hospital program in Family Medicine was immediately expanded to thirty six (36) resident positions, an increase of 12 from the original approval of twenty four (24) in 1970. This expansion was carefully coordinated with the Medical University of South Carolina Department of Family Practice which was designated coordinator of the Statewide Family Practice Residency Program.

REQUEST FOR ASSISTANCE
FOR CONSTRUCTION OF
FAMILY PRACTICE CENTER
PAGE TWO

Concurrently the Spartanburg General Hospital Board of Trustees committed itself to securing the necessary funds to complete the construction of the Ambulatory Care Center then under construction as it was originally designed; as a complete Ambulatory Care Center for the people of Spartanburg County. This commitment was based on the understanding that Statewide Family Practice Program funds would be available to provide the educational component, the Family Practice Center for the residency program in family medicine and some of the classroom and support spaces necessary to operate the residency program. This state support would permit local funds to be shifted so that services and facilities that were deducted when the original contracts were signed in June of 1972 could be put back into the project. To provide these service facilities in the building the Spartanburg County Board of Commissioners obligated an additional \$850,000.00 to match \$450,000.00 of Appalachian Regional Commission Funds to provide the service areas that had been deducted due to the bids exceeding the available funds.

This request for \$418,031.00 for actual construction of the 10,727 square feet of space specifically designated as the Family Practice Center is based on the project of \$38.97 per square foot for construction and fixed equipment. This application based on the spirit and intent of the Statewide Family Practice Program as approved by the General Assembly of South Carolina will finance the facilities for training family physicians which is part of the program accepted by the state through its commitment to the Statewide Family Practice Program.

In summary, Spartanburg General Hospital has acted in good faith in providing the Ambulatory Care Center and specifically the Family Practice Residency area and is depending on construction funds from the Statewide Family Practice Program as discussed with Dean McManus and with the late Vice President Colbert. There was never any question of receiving support, both financial and otherwise. It should be pointed out that Spartanburg General Hospital committed itself to this program. Spartanburg County committed financial support in the amount of \$2,219,000. It is imperative that the Statewide Family Practice Residency Program through the Medical University fund its share of this obligation.

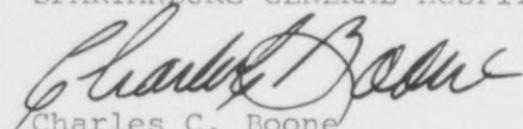
There can be no waiting to see if others are coming forward and beginning a program in family medicine. We have already come forward and we need the expected assistance now. We again respectfully

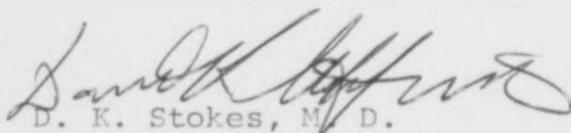
REQUEST FOR ASSISTANCE
FOR CONSTRUCTION OF
FAMILY PRACTICE CENTER
PAGE THREE

request that funds in the amount of \$268,031 (which represents the original \$418,031 less the \$150,000 previously paid) be provided for this purpose.

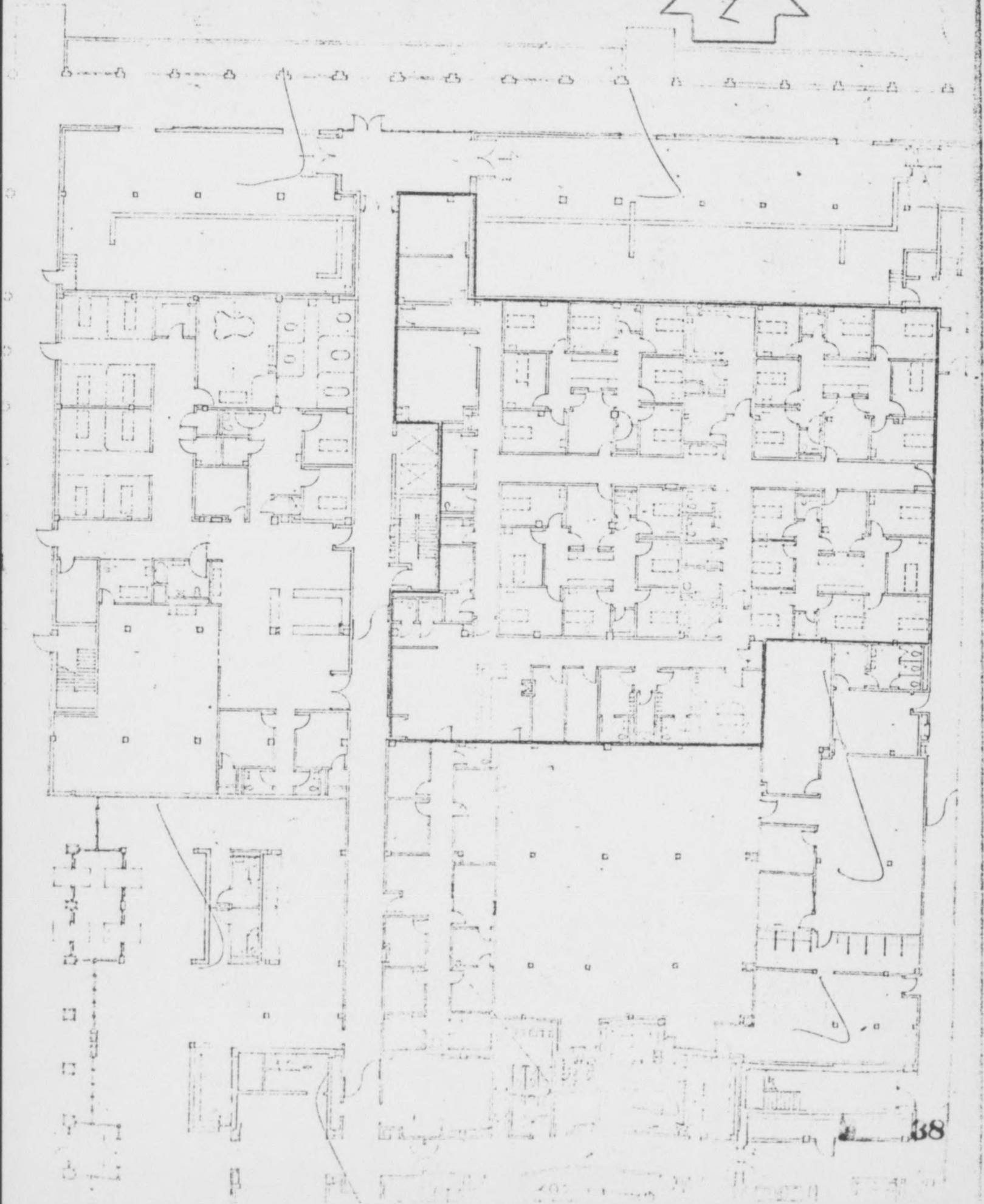
Respectfully submitted,

SPARTANBURG GENERAL HOSPITAL


Charles C. Boone
Director


D. K. Stokes, M. D.
Director of Education
Family Practice

September 30, 1974



INSTRUCTIONS FOR COMPLETING FORM HEC 2-5

The data requested on this form are for the purpose of compiling current statistics on the cost of medical facilities. It should be filled out and forwarded as soon as the contracts have been awarded. Under "TYPE OF CONSTRUCTION" (see below), data are requested on new buildings and extensions or additional stories. Extensions or additional stories will, of course, include some work in the existing structure.

Check these items as applicable to "CATEGORY," "TYPE OF CONSTRUCTION," AND THE "DESCRIPTION" of the project. If additional or other description than that provided on the form is needed, or if there are special features in the project, it should be entered under "REMARKS." The construction and finishes in the "DESCRIPTION" apply only to the principal areas.

NOTE that spaces have been provided under "CATEGORY" for four new programs. Nurse Training Facilities (P.L. 80-501) and Teaching Facilities (P.L. 80-109) only will complete the block "MAXIMUM PROJECTED STUDENT ENROLLMENT." The Maximum Projected Student Enrollment reported by Teaching Facilities should be for the "entering class" only.

TYPE OF CONSTRUCTION: A "new building" in this report is defined as an individual complete detached structural entity, but may be either a completely new hospital or complete detached structural entity as part of an existing facility. An "extension" is a physical increase to a real property facility which adds to the overall external dimensions of a facility, the "extension" being a physical part of an existing building.

GROSS FLOOR AREA: Measure the floor area from the final working drawings on the basis of the contract as let, taking into account any changes resulting from addenda which may have been accepted. It is necessary that a uniform method of measuring the area be used. The method described below

is based on the American Standard Method of Determining Areas in Hospitals and Related Facilities. A.S.A. Standard Z65.4-1955.

The Gross Floor Area is the sum of the areas of all floors, basements and porches included within the outside faces of exterior walls, including architectural setbacks or projections. Floor finishes, unenclosed areas or any unusable areas, unroofed areas or unenclosed recreational areas such as sun decks, terraces, unenclosed porches and balconies should be excluded from the square foot area. Include "unfinished upper floor areas" and "Remarks."

NUMBER OF BEDS: Give the actual number of nursing beds provided for on the plans except beds in recovery, labor and treatment rooms and bassinets in nurseries. If the project includes more than one "CATEGORY," list the number of beds in each under "REMARKS." All other construction costs should be shown under "REMARKS."

HAS PROJECT A LAUNDRY: This applies to institutional laundries only. Omit laundries for individual use such as may be included in Nurses' Residences.

REMARKS: The kind of information which should be given under "REMARKS" is:

- "Designed for future bed expansion"
- "Includes square feet for chapel"
- "Top floor of square feet unfinished"
- "Utilities from existing building"
- "Kitchen facilities from existing building"
- "Includes teaching facilities (for Nurses' Residences)"

COSTS: Cost of site purchase is required only for Health Center projects. The cost of landscaping and off-site utilities should be omitted from all categories. All other items under "costs" are considered self-explanatory.

P
For Ad Agency
when convenient

September 9, 1974

Mr. William D. Leeke, Director
S. C. Department of Corrections
Post Office Box 766
Columbia, South Carolina 29202

Dear Mr. Leeke:

This is with further reference to your proposed construction plans as outlined in your letter of September 4, and our telephone conversation on this subject.

In view of the rather substantial nature of your plans for getting away from the Central Correctional Institution here in Columbia and the modifications that are now necessary because of limited financing, we believe it would be appropriate for you to appear before the Budget and Control Board at a convenient time for a general discussion of your plans and the problems you immediately face as a result of legislative limitation on your financing.

The Board's next meeting is scheduled for September 25. At this point it appears that the agenda for this particular meeting will be rather full and that you would not have the time you should have for a full presentation of your plan. I will try to work this out just as soon as we can schedule you at a future meeting.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr



South Carolina Department of Corrections

P.O. BOX 766/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 772-5520
WILLIAM D. LEEKE, Director

September 4, 1974

Mr. P. C. Smith
State Auditor
P. O. Box 11333
Columbia, South Carolina 29211

Dear Mr. Smith:

In view of the fact that we did not receive sufficient funds to complete the phase out of Central Correctional Institution, over a five year period, we have found it necessary to revise our five year plan somewhat in order to use the 1974-75 Appropriation of \$ 7,500,000 to the best advantage.

Although we must give consideration to our needs for warehousing, sewer facilities and beginning an architectural study for removing the Hospital Complex at Central Correctional Institution, we have given top priority to providing living quarters and plan for at least 550 beds from funds now available.

I would like to review briefly our revised plan of procedure and we are forwarding E-1 forms on each project for the consideration of the Budget and Control Board.

1. Greenwood County - Phase I - 100 bed facility - Estimated Cost \$ 2,185,512 of which \$ 45,000 would be used for the purchase of 65 acres of land from Greenwood County. This land is now under a five year lease and prospects for a long term lease are extremely slim. The county executive has indicated that the county would prefer to sell the 65 acres, including an existing facility and timber rights. This would give us more than adequate space for any future expansion in the Greenwood area.
2. Spartanburg County - Phase I - 250 bed facility - Estimated Cost \$ 2,492,362. This unit would be constructed on property at the Northside Correctional Center site which we recently obtained from Spartanburg County. This would be a minimum security institution.
3. Greenville County - Phase I - 100 bed facility - Estimated Cost \$ 1,664,970. This unit would be constructed on property at the Oak Lawn Correctional Center site which we recently obtained from Greenville County. This would be a medium security institution.

2- 41

BOARD OF
CORRECTIONS

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MRS. LOUIS E. CONDON
Member
Mt. Pleasant, S. C.

GOV. JOHN C. WEST, Member, Ex-Officio, Columbia, S. C.

Mr. P. C. Smith
State Auditor
September 4, 1974
Page Two

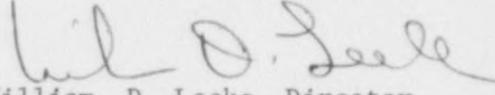
4. Richland County, Broad River Road Section - 100 bed addition to existing Goodman Correctional Institution - Estimated Cost \$ 772,381. This is a minimum security institution.
5. Richland County, Broad River Road Section - Architectural Study for a Hospital Complex - Estimated Cost \$ 168,930. It is imperative that we begin immediately on this project as adequate facilities must be available before the final phase out of Central Correctional Institution.
6. Richland County, Broad River Road Section - Sewer Lines - Estimated Cost \$ 85,000. This project is necessary for compliance with Department of Health and Environmental Control ruling that no additional bedspace may be constructed prior to upgrade of waste treatment facilities. This expenditure will effect tie-in of Department of Corrections facilities into City of Columbia waste treatment lines.
7. Richland County, Broad River Road Section - Warehouse facilities - Estimated Cost \$ 125,000. Phase out of Central Correctional Institution will necessitate replacing warehousing space at that location. The expanding scope of operations also requires additional warehousing space to accommodate larger quantities of materials.

The total amount of this proposal is \$ 7,494,155. While construction cannot begin before January 1975, we do need \$ 300,000 by December 31, 1974 to begin preparation of architectural plans. We estimate construction requirements of \$ 2,700,000 between January 1 and June 30, 1975, with the balance of \$ 4,500,000 to be required during fiscal 1975-76.

We are also enclosing our request for the balance of \$ 1,078,000 from Act 1272 of Acts of 1970 and \$ 1,332,000 from Act 354 of Acts of 1973. These projects will be completed prior to June 30, 1975.

I shall appreciate your favorable consideration of this proposal and will be glad to meet with you personally or furnish any other information desired.

Respectfully submitted,


William D. Leeke, Director

WDL/rp

Encl.

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: RELOCATION OF CENTRAL CORRECTIONAL INST.
(b) Bond Funds Authorized By Act Number(s) and Year(s): 1487-1974
(c) Budget and Control Board Project Number (if assigned): _____

3. (a) Total Cost Of Project \$ 7,500,000
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 7,500,000)
(2) Other (Specify): _____ (\$ _____)

4. Status Of Project
(a) Under Construction Now
(1) Date Contract Executed _____
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract JANUARY 1975

5. Estimated Cash Requirements
(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>300,000</u>
Less Cash On Hand, July 1, 1974	_____
Balance	<u>300,000</u>
January 1 - June 30, 1975	\$ <u>2,700,000</u>
After June 30, 1975	<u>4,500,000</u>
Total	\$ <u>7,500,000</u>

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: WOMEN'S SECURITY COMPLEX
(b) Bond Funds Authorized By Act Number(s) and Year(s): 354-1973
(c) Budget and Control Board Project Number (if assigned): 21-45 PHASE II

3. (a) Total Cost Of Project \$ 2,037,000
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 1,332,000)
(2) Other (Specify): 1973-74 APPRO. ACT. PART II (\$ 705,000)
SECTION I - ITEM 17

4. Status Of Project
(a) Under Construction Now
(1) Date Contract Executed _____
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract OCTOBER 1974

5. Estimated Cash Requirements
(Capital Improvement Bond Funds only. Do not include funds from other sources.)
July 1 - December 31, 1974 \$ NONE
Less Cash On Hand, July 1, 1974 _____
Balance _____
January 1 - June 30, 1975 \$ 1,200,000
After June 30, 1975 132,000
Total \$ 1,332,000

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: ADDITIONS TO YOUTH CORRECTION CENTER
(b) Bond Funds Authorized By Act Number(s) and Year(s): ACT 1272 - 1970
(c) Budget and Control Board Project Number (if assigned): 21-44

3. (a) Total Cost Of Project BALANCE TO FINISH \$ 293,000

(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 293,000)
(2) Other (Specify): _____ (\$ _____)

4. Status Of Project

(a) Under Construction Now \$ 80,000
(1) Date Contract Executed JULY 1974
(b) Not Under Construction Now \$ 213,000
(1) Estimated Date For Award Of Contract AS SOON AS FUNDS ARE AVAILABLE

5. Estimated Cash Requirements

(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>293,000</u>
Less Cash On Hand, July 1, 1974	_____
Balance	<u>293,000</u>
January 1 - June 30, 1975	\$ _____
After June 30, 1975	_____
Total	\$ <u>293,000</u>

1974-75 CAPITAL IMPROVEMENT BOND PROJECT SURVEY

1. (a) Agency: SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
(b) Submitted By: E. H. COOPER (c) Date: SEPTEMBER 4, 1974

2. (a) Project or Purpose For Which
Bond Funds Are Authorized: MEN'S MAXIMUM SECURITY COMPLEX
(b) Bond Funds Authorized By Act Number(s) and Year(s): 1272 - 1970
(c) Budget and Control Board Project Number (if assigned): 21-46 PHASE I

3. (a) Total Cost Of Project ... BALANCE TO FINISH \$ 1,258,865
(b) Source Of Funds:
(1) Capital Improvement Bond Funds (\$ 1,258,865)
(2) Other (Specify): _____ (\$ _____)

4. Status Of Project
(a) Under Construction Now
(1) Date Contract Executed MARCH 1973
(b) Not Under Construction Now
(1) Estimated Date For Award Of Contract _____

5. Estimated Cash Requirements
(Capital Improvement Bond Funds only. Do not include funds from other sources.)

July 1 - December 31, 1974	\$ <u>1,258,865</u>	
Less Cash On Hand, July 1, 1974		<u>473,865</u>
Balance		<u>785,000</u>
January 1 - June 30, 1975	\$ _____	
After June 30, 1975	_____	
Total	\$ <u>1,258,865</u>	

OCT. 29, 1974

RESOLUTIONSTATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore by action taken at its meeting held July 23, 1974, the State Budget and Control Board of South Carolina (the State Board) approved the undertaking of the Board of County Commissioners of Spartanburg County (the County Board) to finance the acquisition and construction of certain industrial facilities located in Spartanburg County through the issuance of \$1,800,000 Spartanburg County, South Carolina, First Mortgage Industrial Revenue Bonds, Series 1974, the said undertaking of the County Board being more fully set forth in the County Board's Petition to the State Board dated June 26, 1974; and

WHEREAS, the County Board has now filed a Supplemental Petition with the State Board setting forth the fact that the Project described in the original Petition will require expenditures in excess of those anticipated when the County Board and the State Board approvals were originally granted. As a result of cost increases, it is now estimated by the Lessee that the total amount of bond proceeds required for acquisition and construction of the Project will be \$2,100,000, rather than \$1,800,000 as previously estimated. In addition, Lessee has determined to obtain commercial lease guarantee insurance insuring the payment of lease rentals due under the proposed lease of the Project from the County to the Lessee. The County Board now proposes to issue in lieu of the \$1,800,000 of bonds abovementioned, \$2,100,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1974 (Spartanburg Warehouse Associates, a Partnership - Lessee) with which to finance the acquisition and construction of the Project.

The \$2,100,000 of Series 1974 Bonds will bear interest at rates not exceeding 9 1/4%; \$1,080,000 of the Series 1974 Bonds will be issued as term bonds which mature on October 1, 1994. \$1,020,000 of the Series 1974 Bonds will be issued as serial bonds which shall mature in accordance with the following schedule:

<u>October 1 of the Year</u>	<u>Principal Amount Maturing</u>
1977	\$ 50,000
1978	55,000
1979	60,000
1980	65,000
1981	70,000
1982	80,000
1983	85,000
1984	95,000
1985	100,000
1986	110,000
1987	120,000
1988	130,000

WHEREAS, the County Board now seeks the approval of the State Board of its undertaking modified as aforesaid.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

1. It has been found and determined by the State Board:

(a) That the statements of fact set forth in the recitals of this Resolution are in all respects true and correct.

(b) That the County Board has filed a proper Petition and Supplemental Petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Lease and the Trust Indenture to be made by the County Board and has established that Spartanburg Warehouse Associates will pay as additional rentals, in lieu of taxes, the sums prescribed by Section 6 of the Act.

(c) That the Project will provide employment in its operation for approximately thirteen (13) persons, and will be of benefit to Spartanburg County and adjoining areas.

(d) That the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings, the proposed undertaking of the County Board to acquire the land and buildings included in the Project, to lease the Project to Spartanburg Warehouse Associates and to finance the cost of acquiring and constructing the Project through the issuance of \$2,100,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1974 (Spartanburg Warehouse Associates, a Partnership - Lessee) payable from the revenues to be derived from the leasing of the Project and additionally secured by a Trust Indenture, all pursuant to Act No. 103 of the General Assembly of South Carolina for the year 1967, (including changes in any details of the financing as finally consummated which do not materially affect any of the foregoing) be and the same is hereby approved.

3. Notice of the action of the State Board in giving approval to the undertaking of Spartanburg County above described in paragraph 2, supra, shall be published in THE SPARTANBURG HERALD, a newspaper having general circulation in Spartanburg County.

4. That notice to be published shall be in form substantially as set forth as Exhibit A of this Resolution.

EXHIBIT "A"

NOTICE PURSUANT TO ACT NO. 103 OF
THE ACTS OF THE GENERAL ASSEMBLY
OF SOUTH CAROLINA FOR THE YEAR
1967

Notice is hereby given that following the filing of a Petition by the Board of County Commissioners of Spartanburg County (the County Board) to the State Budget and Control Board of South Carolina, (the State Board), approval has been given by the State Board to the following undertaking (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz.:

The acquisition by the County Board of a parcel of land in Spartanburg County together with the building thereon (the said tract of land and the building included in the said facilities being hereinafter referred to as the Project), all of which constitute warehousing facilities. To finance the acquisition and construction of the Project, the County Board will issue \$2,100,000 of Spartanburg County, First Mortgage Industrial Revenue Bonds (the Bonds) pursuant to Act No. 103 of the Acts of the South Carolina General Assembly for the year 1967, as amended. The County Board will lease the Project to Spartanburg Warehouse Associates, a partnership (Lessee), under a Lease Agreement and the Bonds of Spartanburg County will be payable by the County solely from the rentals to be paid to the County by the Lessee. The obligations of the Lessee under the Lease Agreement will be unconditionally guaranteed by Trammell Crow, an individual. In addition, the Lessee will obtain commercial lease guarantee insurance insuring the payment of lease rentals as provided in a Policy to be issued by Commercial Loan Insurance Corporation. The Bonds will be additionally secured by a Trust Indenture which will constitute a foreclosable lien upon the Project.

In addition, the Lessee has agreed to pay as additional rentals to Spartanburg County, the School District, and all other political units wherein the Project is located, in lieu of taxes, such amounts as would result from taxes levied on the Project by Spartanburg County, the said School District, and the said other political units wherein the Project is situate, if the Project were owned by the Lessee, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the Lessee if it were the owner of the Project.

The Lease by which Spartanburg County will lease the Project to the Lessee provides that the Lessee shall purchase the Project for One Dollar (\$1.00) upon the payment in full of the bonds.

It is estimated that the Project will provide employment for approximately 13 persons.

Notice if further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County board by action de novo instituted in the Court of Common Pleas for Spartanburg County.

THE STATE BUDGET AND CONTROL
BOARD

By: P. C. Smith, Secretary

PUBLICATION DATE:

_____, 1974.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, P. C. Smith, Auditor of the State of South Carolina, and Secretary of the State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board is composed of the following:

His Excellency, John C. West, Governor of South Carolina and Chairman of the Board;

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

The Honorable John Henry Mills, Comptroller General of South Carolina;

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

The Honorable F. Julian Leonard, Chairman of the House Ways and Means Committee.

That due notice of meeting of said Board, called to be held at the office of the Governor, in the Capital Building, at Columbia, South Carolina, at _____ A. M., July __, 1974, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by _____, who moved its adoption; said motion was seconded by _____, and upon vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

The Chairman thereupon declared the Resolution unanimously adopted, and the original thereof has been duly entered in the permanent records of minutes of said Board, in my custody as its Secretary.

Secretary

_____, 1974.

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

TELEPHONE 722-3366
AREA CODE 803

POST OFFICE BOX 340

September 27, 1974

Honorable P. C. Smith
State Auditor
Post Office Box 11333
Columbia, South Carolina 29211

Dear Mr. Smith:

Re: \$2,100,000 Spartanburg County, South Carolina,
First Mortgage Industrial Revenue Bonds, Series
1974 (Spartanburg Warehouse Associates, a partner-
ship - Lessee)

I am enclosing herewith ten copies each of a Supplemental Resolution and Notice of the State Budget and Control Board in connection with the above captioned issue. We ask that the Petition of the Board of County Commissioners of Spartanburg County which has been forwarded to you by Roy McBee Smith, Esq. be considered by the State Board at its earliest opportunity, and if the issue is approved by the State Board, that the enclosed Supplemental Resolutions be executed and returned to us.

Yours very truly,

Thomas A. Hutcheson

Thomas A. Hutcheson

TAH:wjh

Enclosures

C

CROW, POPE & LAND ENTERPRISES, INC.

1100 Spring Street, N.W., Suite 550, Atlanta, Georgia 30309/875-7431

July 8, 1974

The Honorable P. C. Smith
State Auditor
P. O. Box 11333
Columbia, South Carolina 29211

Re: Charleston Warehouse Associates
Spartanburg Warehouse Associates
Columbia Warehouse Associates

Dear Mr. Smith:

At the request of Mr. Tom Hutcheson, Bond Counsel for the above partnerships, I enclose a Xerox copy of the 1973 Trammell Crow audited financial statement. With such short notice I was unable to secure an original bound copy that would include all of the exhibits, however, the enclosed is a true copy of the balance sheet, opinion letter and requisite footnotes.

I ask that you please maintain the enclosed financial information in strictest confidence as such information is not available for public distribution.

I will be happy to answer any questions you might have, either by telephone or personal visit to Columbia if you deem it necessary.

Very truly yours,

Barry S. Shein
Barry S. Shein

BSS/bb
Enclosures

cc: Mr. Thomas A. Hutcheson

ARTHUR ANDERSEN & Co.

DALLAS, TEXAS

To Trammell Crow:

We have examined the statement of business assets and liabilities of Trammell Crow (an individual, Texas resident) on the cost basis (Column A) as of December 31, 1973, and the supplementary statement of business assets and liabilities on the estimated value basis (Column B), which statements were prepared from the records maintained in your office at 2001 Bryan Tower, Dallas, Texas. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed in Note 1, your accounts are maintained on the cash, rather than the accrual, basis of accounting. Income and expenses are recognized only as cash is received or paid and the related assets and liabilities are not included. The accompanying financial statement does not purport to present business assets and liabilities in conformity with generally accepted accounting principles, since such principles require accruals of the related assets and liabilities.

In our opinion, the accompanying statement on the cost basis (Column A) presents fairly the business assets and liabilities of Trammell Crow as of December 31, 1973, on the cash basis applied on a basis consistent with that of the preceding year.

Also, in our opinion, the accompanying statement on the estimated value basis (Column B) is presented as described in the statement or in the footnotes thereto. However, we do not express an opinion on the amounts shown as estimated values.

Our examination has been made primarily for the purpose of forming the opinion stated in the preceding two paragraphs. The data contained in Schedules I through III inclusive of this report, although not considered necessary for a fair presentation of business assets and liabilities on the cost basis, are presented as supplementary information and have been subjected to the audit procedures applied in the examination of the basic cost basis financial statement (Column A). In our opinion, the cost basis data are fairly stated in all material respects in relation to the basic cost basis financial statement (Column A) taken as a whole. However, we do not express an opinion on the data reflected as estimated values.

Arthur Andersen & Co.

Dallas, Texas,

March 29, 1974.

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TRAMMELL CROW

STATEMENT OF BUSINESS ASSETS AND LIABILITIES
AS OF DECEMBER 31, 1973 (NOTE 1)

	Column A	Column B		Column A	Column B
<u>A S S E T S</u>	----- Cost	----- Estimated Value	<u>L I A B I L I T I E S</u>	----- Cost	----- Estimated Value
CASH	\$ 839,506	\$ 839,506	NOTES PAYABLE (Note 6)	\$13,140,018	\$ 13,140,018
MARKETABLE SECURITIES (Notes 2 and 6) (Schedule I)	5,615,998	5,727,979	ESTIMATED FEDERAL AND STATE INCOME TAXES (Note 7)	-	600,000
ACCOUNTS AND NOTES RECEIVABLE	876,019	876,019			
INVESTMENTS (Note 3) (Schedule II):					
Partnerships and joint ventures	3,077,929	38,995,501			
Corporations	2,672,263	14,419,191			
Advances to partnerships, joint ventures and corporations	12,006,392	12,006,392	ADVANCES FROM PARTNERSHIPS, JOINT VENTURES AND CORPORATIONS (Note 3) (Schedule II)	2,782,297	2,782,297
RECEIVABLES FROM AFFILIATES (Note 4)	14,204,857	14,204,857	PAYABLES TO AFFILIATES (Note 4)	1,247,691	1,247,691
PROPERTY (Note 5):					
Undeveloped land, pledged on mortgage notes payable (Schedule III)	1,802,497	2,836,000	MORTGAGE NOTES PAYABLE, 5-3/4% to 12%, collateralized by undeveloped land, land, buildings and improvements, due through 1998, \$355,736 due within one year (Schedule III)	8,500,416	8,500,416
Land, buildings and improvements, pledged on mortgage notes payable (Note 6) (Schedule III)	10,710,510	16,072,608			
Office and transportation equipment	1,878,805	1,271,100	OTHER LIABILITIES	761,259	761,259
	-----	-----			
Accumulated depreciation	14,391,812 (2,962,222)	-	COMMITMENTS AND CONTINGENCIES (Note 8)		
	-----	-----			
OTHER ASSETS	767,462	767,462	TRAMMELL CROW, EQUITY (Notes 3, 4 and 7)	25,058,335	80,984,934
	-----	-----		-----	-----
	\$51,490,016	\$108,016,615		\$51,490,016	\$108,016,615
	=====	=====		=====	=====

The accompanying notes are an integral part of this statement.

TRAMMELL CROW

STATEMENT OF BUSINESS ASSETS AND LIABILITIES
AS OF DECEMBER 31, 1973 (NOTE 1)

<u>A S S E T S</u>	Column A ----- Cost	Column B ----- Estimated Value	<u>L I A B I L I T I E S</u>	Column A ----- Cost	Column B ----- Estimated Value
CASH	\$ 839,506	\$ 839,506	NOTES PAYABLE (Note 6)	\$13,140,018	\$ 13,140,018
MARKETABLE SECURITIES (Notes 2 and 6) (Schedule I)	5,615,998	5,727,979	ESTIMATED FEDERAL AND STATE INCOME TAXES (Note 7)	-	600,000
ACCOUNTS AND NOTES RECEIVABLE	876,019	876,019			
INVESTMENTS (Note 3) (Schedule II):					
Partnerships and joint ventures	3,077,929	38,995,501			
Corporations	2,672,263	14,419,191			
Advances to partnerships, joint ventures and corporations	12,006,392	12,006,392	ADVANCES FROM PARTNERSHIPS, JOINT VENTURES AND CORPORATIONS (Note 3) (Schedule II)	2,782,297	2,782,297
RECEIVABLES FROM AFFILIATES (Note 4)	14,204,857	14,204,857	PAYABLES TO AFFILIATES (Note 4)	1,247,691	1,247,691
PROPERTY (Note 5):					
Undeveloped land, pledged on mortgage notes payable (Schedule III)	1,802,497	2,836,000	MORTGAGE NOTES PAYABLE, 5-3/4% to 12%, collateralized by undeveloped land, land, buildings and improvements, due through 1998, \$355,736 due within one year (Schedule III)	8,500,416	8,500,416
Land, buildings and improvements, pledged on mortgage notes payable (Note 6) (Schedule III)	10,710,510	16,072,608			
Office and transportation equipment	1,878,805	1,271,100	OTHER LIABILITIES	761,259	761,259

Accumulated depreciation	14,391,812	-	COMMITMENTS AND CONTINGENCIES (Note 8)		
	(2,962,222)				
	-----		TRAMMELL CROW, EQUITY (Notes 3, 4 and 7)	25,058,335	80,984,934
OTHER ASSETS	767,462	767,462		-----	-----
	-----			\$51,490,016	\$108,016,615
	\$51,490,016	\$108,016,615		-----	-----
	=====	=====			

The accompanying notes are an integral part of this statement.

TRAMMELL CROW

NOTES TO STATEMENT OF BUSINESS ASSETS AND LIABILITIES
DECEMBER 31, 1973

(1) BASIS OF REPORTING:

Cost Basis Financial Statement (Column A)-

The accompanying statement includes the business assets and liabilities of Trammell Crow as reflected in the accounting records of the Trammell Crow Company maintained at 2001 Bryan Street, Dallas, Texas. Mr. Crow's personal residence, furnishings and automotive equipment, the property accounted for in the name of Margaret Doggett Crow, and the properties held by trusts for the children of Trammell and Margaret Doggett Crow are not reflected herein.

The accounting records are consistently maintained on the cash basis of accounting. Operational cash balances of the Company and affiliates are maintained in a limited number of bank accounts. A portion of the cash shown in the accompanying statement is kept in these accounts. Income is recorded when cash is received and costs and expenses are recorded when paid. The accompanying Cost Basis Financial Statement (Column A) has been prepared on that basis, and accordingly does not include accruals of income and expenses or the corresponding changes in the related assets and liabilities. Because of the number and continuing nature of the accrual basis differences, it is not practicable to determine how the recording of such transactions in accordance with generally accepted accounting principles would have changed the statement of business assets and liabilities at December 31, 1973.

Estimated Value Financial Statement (Column B)-

The assets in the Estimated Value Financial Statement have been valued by various means of appraisal, but generally are regarded as net realizable values on a going-concern basis. Recorded liabilities have been reported at recorded values and other liabilities have been estimated.

With the use of estimated values, the financial statement has taken into account the effect of certain accruals relating to assets and liabilities, but the statement does not purport to be an accrual basis financial statement nor is the statement in accordance with generally accepted accounting principles. In Mr. Crow's opinion, at December 31, 1973, there are no material unrecorded assets or liabilities that have not been considered in determining estimated values in the accompanying financial statement.

(2) MARKETABLE SECURITIES:

Cost Basis Financial Statement (Column A)-

Marketable securities are stated at cost. Marketable securities with a cost of \$397,148 in the accompanying statement have been acquired under "investment letters," and virtually all of the securities are pledged as collateral on notes payable (see Note 6) by Trammell Crow and affiliates.

Estimated Value Financial Statement (Column B)-

Marketable securities have been valued using current market prices quoted as of December 31, 1973. No adjustments in values have been made for those stocks held under "investment letters". A comparison of cost and current market prices for each significant marketable security at December 31, 1973, is shown in Schedule I.

(3) INVESTMENTS:

Cost Basis Financial Statement (Column A)-

Investments in partnerships, joint ventures and corporations are stated at original cost plus subsequent capital contributions. No adjustment has been made for the proportionate share of accumulated profits and losses in partnerships and joint ventures which are reported on the cash basis. However, cash and note receivable distributions from the partnerships and joint ventures are included in Trammell Crow's equity. At December 31, 1973, approximately \$1,700,000 has been distributed from certain partnerships and joint ventures to Mr. Crow, in excess of the net equity, at cost basis, of his interest in those partnerships or joint ventures. In the event of liquidation of the partnerships or joint ventures, these distributions may be subject to repayment.

Advances to partnerships, joint ventures and corporations are made for operations prior to the funding of interim financing on development projects, carrying costs on real estate being held for investment and future development and for funding of cash operating expenses. Repayment of the advances will be made by the respective entities as funds become available from operations, construction loans or property sales, or if necessary by the individual general partners, joint venturers and shareholders.

Advances from partnerships, joint ventures and corporations represent excess cash made available from operating profits, gains on sale of properties and from financing and capital paid-in to entities not yet requiring such funds. Repayment of these amounts will be from operating cash flow and from collection of advances made to the entities described above.

Investments in certain corporations and partnerships have been pledged as collateral security on notes payable (see Note 6).

Estimated Value Financial Statement (Column B)-

Investments in partnerships, joint ventures and corporations have been valued at estimated realizable values.

The estimated value of net equity in each entity (partnerships, joint ventures, corporations) has been determined by deducting from the assets at estimated realizable values, liabilities at recorded amounts and certain cash flow guarantees aggregating \$2,900,000 (see Note 8). Mr. Crow's portion of such net equity valuation has been included in the Estimated Value Financial Statement and is shown on Schedule II.

Estimated valuations of individual income-producing properties are computed by applying appropriate rates of capitalization applied to cash flows from these properties.

Projects in construction work in progress are stated at accumulated cost at December 31, 1973.

Valuations of other properties, principally undeveloped land, are based on comparable values in the specific areas reduced by factors which are considered adequate to express such values at conservative levels.

Valuations computed by the methods described in the preceding paragraphs are reviewed by Mr. Crow and his associates and, if necessary, adjusted so as to conservatively reflect current market conditions. The estimated values for the various investments are regarded as conservative estimates of realizable amounts.

(4) TRANSACTIONS WITH AFFILIATES:

In the normal course of business Trammell Crow makes advances to and receives advances from nonowned affiliate partnerships, joint ventures, corporations and other entities.

During the year, transfers by sale of investment interests with a cost basis of \$1,800 were made to certain members of Mr. Crow's family, at values estimated to be fair market values, for which Mr. Crow received notes in the amount of \$3,801,135, the gains from which have been included in Trammell Crow's equity as of December 31, 1973.

The following is a summary of Receivables and Payables of Affiliates at December 31, 1973:

	Affiliates	
	Receivables From	Payables To
Operating partnerships, joint ventures and corporations	\$ 8,164,430	\$ 839,641
Trusts for the benefit of members of Mr. Crow's family	270,646	113,171
Receivables/payables of members of Mr. Crow's family-		
Notes on sale of investments	3,801,135	-
Other	1,968,646	294,879
	-----	-----
Total	\$14,204,857	\$1,247,691
	=====	=====

(5) PROPERTY:

Cost Basis Financial Statement (Column A)-

Undeveloped land is held for future development and investment. The carrying cost on such land has been charged to operating expenses. Developed land, buildings and improvements represent income-producing properties leased to third parties.

Depreciation on property is provided using the straight-line method based upon estimated useful property lives of 10-40 years for building and improvements and 4-10 years for office and transportation equipment.

Substantially all real property is pledged under first lien mortgage debt. Additionally, substantially all real property is pledged on a second lien bank line of credit aggregating \$12,000,000 being used by affiliated entities.

Estimated Value Financial Statement (Column B)-

Land, buildings and improvements and undeveloped land are valued as outlined in Note 3 for income-producing properties and undeveloped land. Office and transportation equipment is valued at cost less accumulated depreciation.

(6) NOTES PAYABLE:

Notes payable in the accompanying statement include notes with 90-180 day maturities payable to banks at interest rates approximately 1-2% above the current bank prime interest rate to a maximum of 10% as used in the following summary at December 31, 1973.

	<u>Total Amount</u>	<u>Due Within One Year</u>
6-1/4% to 10% notes payable to banks, collateralized by marketable securities, certain partnership interests, and common stock of affiliated corporations, due through 1977	\$ 8,747,092	\$ 8,562,092
5% to 10% notes payable, unsecured, due through 1978	3,355,831	2,586,589
7-1/4% to 12-3/4% installment notes payable, collateralized by office and transportation equipment, due through 1978	623,595	112,747
10% interim construction loan, collateralized by certain land, building and improvements, due in 1974	263,500	263,500
12% note payable, collateralized by buildings and improvements, due in 1980	150,000	-
	----- \$13,140,018 =====	----- \$11,524,928 =====

(7) FEDERAL AND STATE INCOME TAX MATTERS:

Cost Basis Financial Statement (Column A)-

Mr. Crow's liability for current income taxes has not been recorded in the Cost Basis Financial Statement.

Mr. Crow's income tax returns have been reviewed by the Internal Revenue Service for years prior to 1971. This examination has resulted in a proposed additional assessment of \$606,000 for taxes for these prior years. Mr. Crow has not acknowledged that this claim is valid and the matter is presently under appeal.

Estimated Value Financial Statement (Column B)-

Estimated liabilities for current taxable income have been shown under "Estimated Federal and State income taxes." No amounts have been included for the proposed additional assessment. In Mr. Crow's opinion, the estimated values of investments and property are so conservatively valued that income taxes applicable to unrealized appreciation have been adequately recognized.

(8) COMMITMENTS AND CONTINGENCIES:

Commitments-

As of December 31, 1973, Trammell Crow had entered into a variety of commitments for acquisition of land, construction of buildings, and for interim and long-term financing of such projects, all in the regular course of business. Such commitments are related to debts reflected on the records of individual entities (partnerships, joint ventures and corporations) in which Mr. Crow has an interest. These entities are also the owners of various other properties not requiring personal guarantee or commitment.

The debts of these entities which Mr. Crow has cosigned or personally guaranteed are of widely varying types, terms, rates and maturity dates. The indebtedness of \$517,015,000 on entities in which Mr. Crow has a direct interest is shown under "Analysis of Liabilities" on Schedule II, Summary of Investments in Operating Entities. Mr. Crow is liable for his proportionate share of the indebtedness (\$133,087,000) and contingently liable for the remainder (\$383,928,000) attributable to his operating partners, whom Mr. Crow believes to be financially responsible.

Contingencies-

Mr. Crow is contingently liable as cosigner or guarantor on the debt of certain partnerships, joint ventures and corporations in which Mr. Crow has no direct interest, and on debts of certain trusts for the children of Mr. Crow. Such contingent liabilities constitute a large number of separate transactions with widely varying amounts and dates of maturity. A substantial amount of these contingent liabilities are joint and several obligations with one or more partners whom Mr. Crow believes to be financially responsible. Mr. Crow regards the occurrence of these contingencies as an underwriting evaluation with an inherent wide spread of risk. No event or notice of default has been reported to accelerate the maturity or to assert any of these liabilities against Mr. Crow. These contingent obligations are shown below:

<u>Description</u>	<u>Amount</u>
Working Capital Loans-	
Working capital loans include both secured and unsecured loans with various banks.	\$ 7,815,000
Land Loans-	
Land loans are typically secured by the individual parcels of land on which the loan has been made.	95,234,000
Interim Construction Loans-	
Interim construction loans are generally supported by long-term loan commitments by lenders.	77,253,000
Long-Term Loans-	
Long-term loans are generally on completed facilities with established rental income streams to support the amortization of the loan.	28,152,000

	\$208,454,000
	=====

The estimated value of properties directly associated with the contingent liabilities shown above is \$251,000,000.

-10-

Certain underlying lease agreements guarantee minimum annual rental income on properties; such guarantees would become effective only if there existed a default on the terms of the mortgage loans on the related income-producing properties. Annual rental obligations on underlying lease agreements for those properties which were completed and fully occupied as of December 31, 1973, approximate \$12,229,000, with corresponding annual rental income from tenants of these properties of \$12,653,000. For reported unoccupied or partially occupied properties (including recently completed facilities), the annual rental obligation is approximately \$3,865,000, with annualized rentals for occupied space for the calendar year 1974 of \$2,168,000.

Cash Flow Guarantees-

Certain partnerships in which Mr. Crow has a direct interest are general partners in limited partnerships which build and operate income-producing properties. The general partners manage the properties and have guaranteed cash flows to the limited partners. Certain of these properties will require advances by the general partners to support the guarantees. At December 31, 1973, it is estimated that the properties will produce cash income of \$14,900,000 to pay cash expenses of \$17,800,000. The remaining \$2,900,000 will be advanced by the general partners of which Mr. Crow's proportionate interest is \$1,360,000.

Oct. 29, 1974
Exh. III

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

December 2, 1974

Honorable P. C. Smith, Secretary
State Budget and Control Board
Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Mr. Smith:

Re: \$2,100,000 Spartanburg County, South Carolina First
Mortgage Industrial Revenue Bonds, Series 1974
(Spartanburg Warehouse Associates, a Partnership -
Lessee)

The issuance of the captioned bonds was approved by the State Board on October 29, 1974. The bonds are unconditionally guaranteed by an individual, Trammell Crow, and in the preparation of the final official statement, there arose the question of the extent to which the financial statement of Trammell Crow should be provided prospective purchasers of the bonds in order to comply with the disclosure provisions of the 1933 Securities Act.

Payment of the lease rentals will be insured by Commercial Loan Insurance Corporation (CLIC) and for that reason the financial statement of CLIC is included in the Offering Circular. The following statement relating to Mr. Crow's financial situation also appears in several places in the Offering Circular:

"Mr. Crow, a General Partner of the Lessee has, pursuant to a Lease Guaranty Agreement, unconditionally guaranteed payment of the Lessee's obligations under the Lease. Inasmuch as Mr. Crow has declined to permit public dissemination of his personal financial condition prospective purchasers of the Bonds should not rely on the existence of this guarantee to determine whether or not to purchase the Bonds. In the event of default in payment under the Lease there can be no assurance that Mr. Crow will be able to meet any of his obligations under the Lease Guaranty Agreement.

Trammell Crow's Statement of Business Assets and Liabilities as of December 31, 1973, Together With Auditors' Report is on file at the principal office of the Underwriter in Atlanta, Georgia, and is available for inspection by any prospective purchaser or his designated agent."

SINKLER GIBBS SIMONS & GUÉRARD, P. A.

Honorable P. C. Smith
December 2, 1974
Page 2

We thought it appropriate to fully apprise the State Board of
the resolution of this question.

Very truly yours,

Sinkler Gibbs Simons & Guérard

MWY:wjh

(BY HAND)



OFFICE OF
County Board of Commissioners
COUNTY COURT HOUSE
Spartanburg, South Carolina 29301

September 26, 1974

Exhibit III
10/29/74

ROY MCBEE SMITH
COUNTY ATTORNEY
312 MONTGOMERY BUILDING
P. O. Box 5306
SPARTANBURG, S. C. 29301

Hon. P. C. Smith
State Budget and Control Board
P. O. Box 11333
Columbia, S. C. 29211

RE: \$1,800,000 Spartanburg County, South Carolina,
First Mortgage Industrial Revenue Bonds, Series
1974 (Spartanburg Warehouse Associates, a general
partnership - Lessee)

Dear Mr. Smith:

I enclose Supplemental Petition executed by the
Chairman of the Board of County Commissioners of Spartanburg
County and dated September 11, 1974. I also enclose Resolution
executed by the Members of the Board of County Commissioners,
attested by the Secretary of the Board and dated September 11,
1974.

With a copy of this letter I am forwarding to Mr.
Thomas A. Hutcheson ten certified copies of the Petition and
Resolution.

With kind regards,

Very truly yours,

Roy McBee Smith

RMS:fer
Enclosure
CC: Mr. Thomas A. Hutcheson

A RESOLUTION

SUPPLEMENTING A RESOLUTION PREVIOUSLY ADOPTED ON JUNE 26, 1974, ENTITLED "A RESOLUTION APPROVING THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CERTAIN WAREHOUSE FACILITIES IN SPARTANBURG COUNTY THROUGH THE ISSUANCE OF ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) OF SPARTANBURG COUNTY, SOUTH CAROLINA, FIRST MORTGAGE INDUSTRIAL REVENUE BONDS, SERIES 1974; AND AUTHORIZING THE PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO ACT NO. 103 OF THE 1967 ACTS OF THE SOUTH CAROLINA GENERAL ASSEMBLY, AS AMENDED", SO AS TO PROVIDE FOR AN INCREASE IN THE PRINCIPAL AMOUNT OF BONDS THEREIN AUTHORIZED AND TO AUTHORIZE A SUPPLEMENTAL RESOLUTION ACCORDINGLY TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA.

As an incident to the adoption of this Supplemental Resolution, the Board of County Commissioners of Spartanburg County (the "County Board") has made the following findings of fact:

1. Heretofore by action taken at its meeting on June 26, 1974, the County Board determined to finance the acquisition and construction of certain industrial facilities through the issuance of revenue bonds pursuant to Act No. 103 of the 1967 Acts of the South Carolina General Assembly (the "Act") in the principal amount of \$1,800,000; and authorized a Petition to the State Budget and Control Board of South Carolina (the "State Board") seeking its approval as required by Section 14 of the Act.

2. The State Board at its meeting on July 23, 1974, approved of the undertaking abovementioned and authorized the publication of a Notice of the action of the State Board in giving such approval. The Notice of such approval was published in the Spartanburg Herald on Wednesday, July 24, 1974.

3. Subsequent to the State Board's approval and the publication of Notice as aforesaid, Spartanburg Warehouse Associates, a Partnership (the "Lessee") has determined that the Project described in the Petition heretofore submitted to the State Board will require expenditures in excess of those anticipated when the County Board and State Board

approval was obtained. As a result of cost increases, it is now estimated by the Lessee that the total amount of bond proceeds required for acquisition and construction of the Project will be \$2,100,000, rather than \$1,800,000 as previously estimated.

4. In addition, Lessee has determined to obtain commercial lease guarantee insurance insuring the proposed lease of the Project from the County to the Lessee.

5. Accordingly Lessee has now proposed that the County Board finance the acquisition and construction of the Project, including the repayment of funds advanced and loans incurred by Lessee for that purpose through the issuance of \$2,100,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1974 (Spartanburg Warehouse Associates, a Partnership - Lessee) (the "Bonds") pursuant to the Act. Such bonds will be secured by a pledge of the lease rentals received by the County from the leasing of the Project to the Lessee; payment of such lease rentals to be insured pursuant to a lease guarantee insurance policy issued by Commercial Loan Insurance Corporation.

6. Although State Board approval has already been obtained as aforesaid, the County Board is minded to present a Supplemental Petition to the State Board setting forth the modifications above described in the principal amount of bonds to be issued and in the security for the bonds.

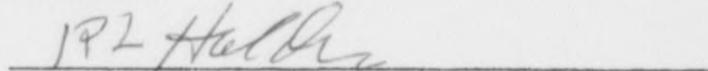
7. The findings of the County Board set forth in the Resolution of June 26, 1974, are hereby reaffirmed in all respects as hereinabove modified.

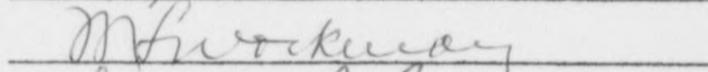
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SPARTANBURG COUNTY IN MEETING DULY ASSEMBLED that the County Board finds that the facts set

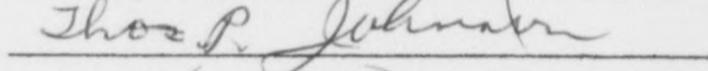
forth above are in all respects true and correct and on such basis determines to finance the Project above described, to authorize the sale of the Bonds by Spartanburg County as aforesaid; and BE IT FURTHER RESOLVED that the Supplemental Petition in the form substantially as attached hereto be presented to the State Board to seek the approval required by Section 14 of the Act and that said Supplemental Petition shall be duly executed by the Chairman of the County Board and attested by its Secretary.


Chairman

(SEAL)



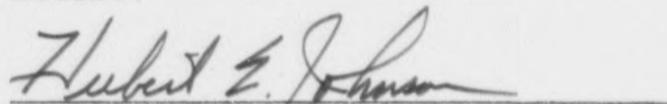




(absent)

Constituting the members of the Board of County Commissioners of Spartanburg County

Attest:


Secretary of the Board of County Commissioners of Spartanburg County

SEP 11 1974 _____, 1974.

STATE OF SOUTH CAROLINA
COUNTY OF SPARTANBURG

_____))
TO THE STATE BUDGET AND CONTROL))
BOARD OF SOUTH CAROLINA)) SUPPLEMENTAL PETITION
_____)

The Supplemental Petition of the Board of County Commissioners of Spartanburg County (the "County Board"), respectively shows:

1. That heretofore under date of June 26, 1974 the County Board petitioned the State Budget and Control Board seeking the approval of the State Budget and Control Board of the undertaking by the County Board by which it would finance the acquisition and construction of the Project, as defined in the said Petition, through the issuance of \$1,800,000 Spartanburg County First Mortgage Industrial Revenue Bonds, Series 1974 (Spartanburg Warehouse Associates, a Partnership - Lessee).

2. Pursuant to the said Petition of the State Board at its meeting on July 23, 1974 approved the undertaking of the County Board to acquire the Project, to lease the Project to Spartanburg Warehouse Associates, a Partnership (Lessee) and to finance the cost of acquiring and constructing the Project through the issuance of the bonds described above and the State Board authorized the publication of a Notice of the action of the State Board in giving such approval. Such Notice was duly published on Wednesday, July 24, 1974, in the Spartanburg Herald, a newspaper of general circulation in Spartanburg County.

3. Subsequent to obtaining State Board approval as aforesaid and the publication of the aforesaid Notice, Lessee determined that increases in the costs of certain items required for the Project would necessitate raising additional funds to finance the acquisition and construction

thereof. Lessee has concluded that the amount of bond proceeds necessary to finance the acquisition and construction of the Project is \$2,100,000.

4. In order to provide additional security for the bonds, Lessee has applied for lease guarantee insurance to be issued by Commercial Loan Insurance Corporation, guaranteeing payment of lease rentals due pursuant to the lease of the Project from the County to the Lessee.

5. The County Board has determined that the increase in the principal amount of the bonds will not materially affect the undertaking of the County Board as originally proposed. The County Board further finds that the obtaining of lease guarantee insurance will provide additional security and protection for the bondholders and will, therefore, have a beneficial effect on the bonds.

6. The County Board hereby ratifies and confirms and restates all of the matters set forth in its said Petition dated June 26, 1974 as hereinabove modified and amended in this Supplemental Petition.

Upon the basis of the foregoing, the County Board respectively prays:

That the State Budget and Control Board accept the filing of the Supplemental Petition presented herewith and that it approve the Project (subject to the obtaining of a commitment for lease guarantee insurance from Commercial Loan Insurance Corporation) and give published Notice of its approval in the manner set forth in Section 14 of the Industrial Revenue Bond Act (Act No. 103 of the 1967 Acts of the South Carolina General Assembly).

SEP 11 1974, 1974.

Respectively submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

BY

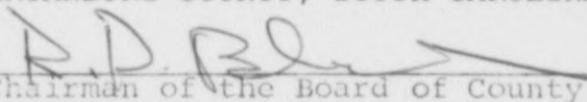

Chairman of the Board of County
Commissioners of Spartanburg
County

EXHIBIT IV
OCT. 29, 1974

J. A. McALLISTER, CHAIRMAN
MT. CARMEL, SOUTH CAROLINA

W. E. CLARK, V. CHAIRMAN
SANTEE, SOUTH CAROLINA

S. M. BEATY
ABBEVILLE, SOUTH CAROLINA

WILLIAM N. GEIGER, JR.
COLUMBIA, SOUTH CAROLINA

STATE OF SOUTH CAROLINA



J. L. BURCH
McCORMICK, SOUTH CAROLINA

JULIUS H. BAGGETT, GENERAL COUNSEL
McCORMICK, SOUTH CAROLINA

GEORGE N. DORN, EXECUTIVE DIRECTOR
P.O. BOX 716
McCORMICK, SOUTH CAROLINA
TELEPHONE 465-2651

CLARK HILL AUTHORITY

October 28, 1974

Mr. Pat C. Smith, State Auditor
Room 205, Wade Hampton Office Building
Post Office Box 11333
Columbia, South Carolina 29211

Reference: Selection of Firm: Environmental Impact Statement--Little River
Master Plan

Dear Mr. Smith:

I am writing to you in your capacity as Secretary of the State Budget and Control Board, to inform the Board that the Clark Hill Authority has recently selected the Engineering Firm of Davis and Floyd Engineers, Inc., Greenwood, South Carolina, for the purpose of conducting the above referenced study. The above selection was made in full accordance with Section 10 of part II of the 1974-75 Appropriations Act, State of South Carolina. The several required documents as outlined in Section 10, are enclosed as follows:

1. Appendix A -- A listing of the names and addresses of each of the nine (9) firms from whom resumes were received subsequent to proper advertising concerning this project study.
2. Appendix B -- An affidavit showing proof of advertising as outlined in Section 10.
3. Appendix C -- Statement of other Architectural/Engineering work of the past two years.
4. Appendix D -- A copy of a tentative contract with said Firm.

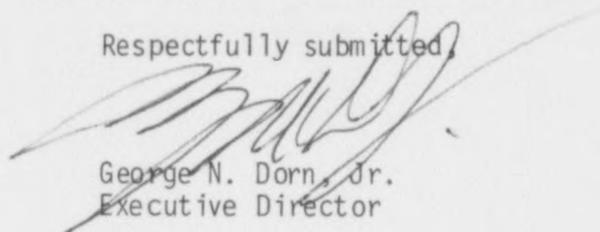
Please note the tentative Contract deals with a range price with a maximum ceiling of \$28,000.00 which the Clark Hill Authority has approved and budgeted for this work. A range price rather than a set figure is applicable in this case due to the nature of an impact statement in that total work requirements are often obscure and cannot be identified until the Study is well underway. Additionally, please note that enclosure one to this proposed contract entitled Proposed Scope of Work was prepared in accordance with the Corps of Engineers Environmental Guidelines and Regulations by Corps Officials, and the undersigned, in order to aid the contractor in the preparation of this Study. Please be advised that the General Council of the Clark Hill Authority has reviewed this complete contractual document and has approved it for legal correctness and soundness and has recommended acceptance thereof.

Mr. Pat C. Smith, State Auditor
October 28, 1974
Continued

Proposal hearings were held by the Clark Hill Authority on October 23, 1974, and in addition to Davis & Floyd Engineers, Inc., Enwright Associates, Inc.; Prather, Thomas, Campbell, and Pridgeon, Inc.; and LBC & W Consultants were also heard from. In the unlikely event that this request, as submitted, is not approved, the Clark Hill Authority will immediately reconven for selection of one of the above Firms, as in accordance with Section 10, Part II of the 1974-75 Appropriations Act.

The Clark Hill Authority respectfully requests that the Honorable Members of the State Budget and Control Board rapidly approve this matter as submitted.

Respectfully submitted,



George N. Dorn, Jr.
Executive Director

GND/kh

NINE FIRMS FROM WHICH RESUMES WERE RECEIVED

Jones & Fellers
Augusta, Georgia

Herst/Coleman Associates, Inc.
Greenwood, South Carolina

Urs/Ken R. White Company
Atlanta, Georgia

LBC & W
Columbia, South Carolina

Columbia Architectural Group
Columbia, South Carolina

Development Concepts, Inc.
Atlanta, Georgia

Davis & Floyd
Greenwood, South Carolina

Prather, Thomas, Campbell, Pridgeon. Inc.
Spartanburg, South Carolina

Enwright Associates, Inc.
Greenville and Columbia
South Carolina

COLUMBIA NEWSPAPERS, INC.

The State
MORNINGS AND SUNDAY

AND

The Columbia Record
EVENINGS

P. O. BOX 1333, COLUMBIA, S. C. 29202

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

Personally appeared before me J. W. Holton, Jr., Advertising Director
of THE STATE, and makes oath that the advertisement,

INVITATION FOR ARCHITECTURAL OR ENGINEERING SERVICES -
Little River Project

a clipping of which is attached hereto, was printed in THE STATE,
a daily newspaper of general circulation published in the City
of Columbia, State and County aforesaid, in the issues of

September 22, 1974

J. W. Holton, Jr.

Subscribed and sworn to before me
this 23rd day of September 19 74

J. Harkins Notary Public

[Signature]

1-76

J. A. McALLISTER, CHAIRMAN
MT CARMEL, SOUTH CAROLINA

W. E. CLARK, V. CHAIRMAN
SANTEE, SOUTH CAROLINA

S. M. BEATY
ABBEVILLE, SOUTH CAROLINA

WILLIAM N. GEIGER, JR.
COLUMBIA, SOUTH CAROLINA

STATE OF SOUTH CAROLINA



J. I. BURCH
McCORMICK, SOUTH CAROLINA

JULIUS H. BAGGETT, GENERAL COUNSEL
McCORMICK, SOUTH CAROLINA

GEORGE N. DORN, EXECUTIVE DIRECTOR
P.O. BOX 716
McCORMICK, SOUTH CAROLINA
TELEPHONE 465-2651

CLARK HILL AUTHORITY

September 17, 1974

The State Newspaper
Columbia,
South Carolina

Attention: Legal Notice Section

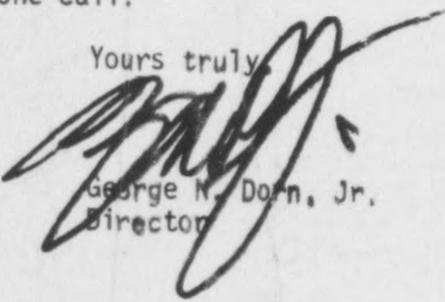
Dear Sir:

Please find enclosed a legal notice relative to engineering work for the Clark Hill Authority concerning its Little River Project.

Please call 465-2641, collect, immediately upon receipt of the notice to acknowledge receipt and to establish a printing date. In addition, billing instructions are as follows: After the run date(s), please invoice to Clark Hill Authority, Post Office Box 716, McCormick, South Carolina 29835. Also, please prepare an affidavit including a copy of the ad, as was run, to accompany the invoice.

We look forward to receiving your phone call.

Yours truly,


George N. Dorn, Jr.
Director

GND/sr

enclosure: Legal notice

J. A. McALLISTER, CHAIRMAN
MT. CARMEL, SOUTH CAROLINA

W. E. CLARK, V. CHAIRMAN
SANTEE, SOUTH CAROLINA

S. M. BEATY
ABBEVILLE, SOUTH CAROLINA

WILLIAM N. GEIGER, JR.
COLUMBIA, SOUTH CAROLINA

STATE OF SOUTH CAROLINA



J. L. BURCH
McCORMICK, SOUTH CAROLINA

JULIUS H. BAGGETT, GENERAL COUNSEL
McCORMICK, SOUTH CAROLINA

GEORGE N. DORN, EXECUTIVE DIRECTOR
P.O. BOX 716
McCORMICK, SOUTH CAROLINA
TELEPHONE 465-2651

CLARK HILL AUTHORITY

INVITATION FOR ARCHITECTURAL OR ENGINEERING SERVICES

The Clark Hill Authority invites the submission of a resume of qualifications from any architectural or engineering firm interested in submitting a contract proposal to conduct a study and prepare an "Environmental Impact Statement" relative to the proposed "Little River Project", Clark Hill Lake (South Carolina).

The Environmental Impact Statement shall be a totally objective report dealing with all aspects of the environment as affected by the proposed development project. The Environmental Impact Statement will be conducted in accordance with guidelines provided by Federal regulations of the U. S. Corps of Engineers. Regulation: E.R. 1105-2-507.

Information relative to the above, including previous environmental assessment, project concept plans, economic data, etc., is on file in the Clark Hill Authority office in McCormick, South Carolina.

A complete scope of work will be prepared for the firm obtaining the contract. Additional information may be obtained by contacting George N. Dorn, Jr., Clark Hill Authority, Post Office Box 716, McCormick, South Carolina. Phone: 465-2641.

Resumes must be submitted so as to be reviewed in the Clark Hill Authority office no later than October 10, 1974.

Final consideration of firms and awarding of contract will be in strict accordance with the procedure required by Section 10, Part II of an act of the South Carolina General Assembly, approved June 28, 1974, "The State General Appropriations Act".

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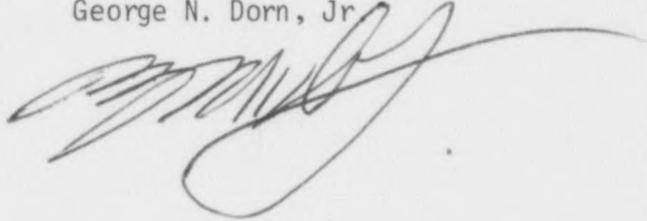
The Clark Hill Authority is seeking the submission of a resume of qualifications from firms interested in submitting a contract proposal to conduct a study and prepare an Environmental Impact Statement relative to the proposed Little River Project, Clark Hill Lake (South Carolina). The Environmental Impact Statement shall be a totally objective report dealing with all aspects of the environment as affected by the proposed development project. The Environmental Impact Statement will be conducted in accordance with guidelines provided by Federal Regulations of the U.S. Corps of Engineers, Regulation E R 1105-2-507. Information relative to the above, including previous environmental assessment, project concept plans, economic data, etc., is on file in the Clark Hill Authority office in McCormick, South Carolina. A complete scope of work will be prepared for the firm obtaining the contract. Additional information may be obtained by contacting George N. Dorn, Jr., Clark Hill Authority, Post Office Box 716, McCormick, South Carolina, Phone 465-2641. Resumes must be submitted so as to be reviewed in the Clark Hill Authority office no later than October 10, 1974. Final consideration of firms and awarding of contract will be in strict accordance with the procedure required by Section 10, Part II of an act of the South Carolina General Assembly, approved June 28, 1974, "The State General Appropriations Act".

PARSO

STATEMENT

Clark Hill Authority undertook no actual construction in Fiscal Year 72-73 or 73-74, but planning and engineering work relative to development alternatives for the Clark Hill area; and feasibility, master planning, and other assessments for the Little River Site have been rendered in that two year period by Wilbur Smith and Associates, a South Carolina planning firm, for total contractual cost of \$62,969.19.

George N. Dorn, Jr

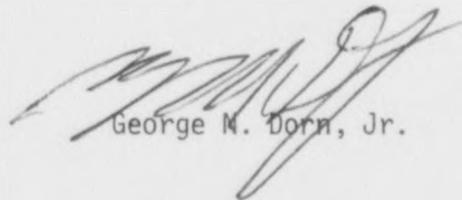


Salli W. Rice Feb. 4, 1982
Notary Public

October 28, 1974
Date

SUMMARY

Public Land Utilization Study.....	\$ 4,055.48
Clark Hill Retainer Study.....	\$ 2,318.71
Land Development -- Little River Site.....	\$ 27,000.00
Environmental Impact Analysis.....	\$ 8,000.00
Master Plan Study.....	\$ 21,595.00
	<hr/>
TOTAL.....	\$ 62,969.19


George M. Dorn, Jr.

Salli W. Rice - Feb 4, 1982
Notary Public

October 28, 1974
Date

Davis & Floyd Engineers, Inc.

CONSULTING ENGINEERS

POST OFFICE DRAWER 428

GREENWOOD, SOUTH CAROLINA 29646

EMMETT I. DAVIS, P. E.
PHIL R. FLOYD, P. E.

T. LESLIE HUGHSTON, P. E.
WILLIAM J. DAY, P. C.

October 23, 1974

Clark Hill Authority
P.O. Box 716
McCormick, South Carolina 29835

Attention: Mr. George N. Dorn, Jr.
Director

RE: Little River Environmental
Impact Statement
McCormick County, South Carolina

Proposal To Provide Necessary Professional and Related Services
As Required to Accomplish Captioned Work.

Davis & Floyd Engineers, Inc. proposes to prepare an Environmental Impact Statement (EIS) for the Clark Hill Authority Little River Master Plan. The services proposed include furnishing of all equipment, personnel, supplies, transportation and other such items as required to accomplish the program. The Environmental Impact Statement shall include a base report and appropriate appendices along with other items as described in the "Proposed Scope of Work." A copy of this scope is attached as enclosure one (1).

The Program will be completed in accordance with the schedule presented in the Proposed Scope of Work. Compensation for the necessary Engineering and related services will be provided on the following basis:

Personnel - Charges for personnel shall be calculated by multiplying salary cost by a factor of 2.50. The salary cost shall be in accordance with ASCE Manual Number 45, "Consulting Engineering - A Guide for the Engagement of Engineering Services" (latest revision). The hourly rate for salaried personnel shall be determined by dividing the weekly salary by forty. The rate for personnel paid hourly shall be computed by dividing the gross weekly salary by the number of hours worked.

Sampling and Laboratory Testing - Charges for personnel engaged in sampling and laboratory procedures shall be calculated by multiplying the salary cost by a factor of 2.75. The hourly rates shall be computed as previously described. By using the 2.75 salary cost multiplier, there will be no added charge for specific analyses, specific laboratory equipment, and laboratory chemicals.

Out-of-Pocket Expenses including long distance telephone, printing, room and board, travel, etc. will be charged at actual cost plus ten percent (10%).

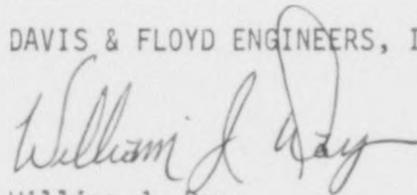
Mileage will be charged at \$0.16 per mile.

The estimated cost for this work ranges from \$20,000 to a not-to-exceed cost of \$28,000.00, depending on the availability and reliability of existing base information and field data for the area.

We appreciate the opportunity to submit this proposal. You can be assured of our interest and best efforts at all times in aiding the Authority to further its most vital program. Please let me know should there be questions or if additional data is needed.

Very truly yours,

DAVIS & FLOYD ENGINEERS, INC.



William J. Day
Vice President

Accepted:

Clark Hill Authority

By: _____
J. A. McAllister
Chairman

Date: _____

enclosures

WJD:jsp

PROPOSED SCOPE OF WORK

CLARK HILL AUTHORITY - LITTLE RIVER PROJECT
CLARK HILL, SOUTH CAROLINA

A. Services. The Contractor shall prepare and furnish an Environmental Impact Statement (EIS) for the Authority's Little River Project. The project is described in Attachment * Little River Master Plan. The Contractor shall be responsible for furnishing all equipment, personnel, supplies, transportation and such other items as are required to accomplish the work described herein. The EIS shall include a main report and appropriate appendices as hereinafter described, a bibliography of references and summaries of relevant consultations with agencies and individuals other than the Authority and the Contractor's own organization.

B. General. The EIS must be an independent report summarizing the direct and indirect environmental impacts involved in the development and operation of approximately 1700 acres of Federal lands as described in Attachment * Little River Master Plan. The impact statement must specifically recognize the Federal ownerships at and near the project site. The statement must be searching, objective and complete and must fully disclose all known facts which bear on the quality of the environment.

C. Format and Content. The EIS will consist of an appropriate cover sheet, a table of contents, the body of the statement, bibliography, plates or maps, technical appendices (i.e., glossary of terms, inventories of terrestrial and aquatic flora and fauna), summary of consultation and coordination and copies of official correspondence related to the substantive nature of the work. The use of graphic illustrations including photographs, drawings and maps to supplement the narrative is permissible. Black and white film negatives of all illustrations will be furnished by the Contractor with the appropriate submittal. The size of film negatives are restricted to 4"x5" and 6"x8". Each paragraph in each section of the body of the statement will be numbered for ease of reference. For example, the first paragraph in Section 1.00 will be numbered 1.01, the second 1.02, etc. Appendices will be lettered alphabetically. Pages in the appendices will be numbered consecutively, preceded by the appendix symbol, e.g., A-1, A-2, B-1, B-2, etc. Appendices A-1 and A-2, attached, provide guidance for the preparation of environmental inventories. All material for the statement should be prepared on either an IBM Mag Card I, IBM Mag Card II (Cards), or a Magnetic Tape/Selectric Typewriter (Tape). The preferred system would be the IBM Mag Card II. A list of the nine sections and a description of the contents of each are as follows:

1.00 Project Description. Describe the proposed action by name, specific location, project dimensions and purposes. Generally delineate the project

* Clark Hill Authority's Plan of Development

Final

purpose and what the operation and maintenance of the project entails. It is most important that a clear word picture be presented. A complete description of the project dimensions, its components, purposes, operation, maintenance and expected use of the project lands should be discussed. The project's effects on the economy, including employment, unemployment, and other economic impacts should be discussed. The inter-relationship and compatibility of the project with similar existing or proposed projects must be discussed.

2.00 Environmental Setting Without the Project. Describe the area, the present level of economic development, existing land use, water quality, air quality, and present methods of waste disposal. Discuss in detail the environmental setting of the immediate project area with appropriate reference to and discussion of important regional aspects critical to the assessment of environmental impacts. Include appropriate information on topography, vegetation, animal life, historical, archeological, geological features, and social and cultural habits and customs. The assessment of wildlife resource values should be based on a habitat unit approach. The quality of the wildlife habitats is to be evaluated on its productivity, i.e., the ability of the habitat to provide shelter and food for game species of animals. Discuss what the future environmental setting is likely to be in the absence of the proposed project.

In discussion of population aspects, consideration should be given to using the rate of growth in the region contained in the projection compiled by the Bureau of Economic Analysis of the Department of Commerce and the Economic Research Service of the Department of Agriculture called "OBERS." In any case, the source of population data used should be identified. Other projections, such as future economic activity and land use, that also bear upon a thorough understanding of the environmental impacts of the proposed action should be included along with their source.

3.00 Relationship of the Proposed Action to Land Use Plans. Discuss how the proposed project or action conforms or conflicts with the objectives and specific terms of existing or proposed Federal, State, and local land use plans, policies and controls, if any, for the area affected. If an actual or potential conflict exists, the statement should discuss the issues completely and state any actions proposed to reconcile the proposed action with the plan, policy or control, and the reasons for proceeding with the project, in the absence of full reconciliation.

4.00 The Probable Impact of the Proposed Action on the Environment.

(1) Impacts on the environment, including wildlife resources, cultural resources, water, land, and air, should be viewed as changes or conversions of environmental elements which result directly or indirectly from the proposed action. These impacts and effects should be identified initially and projected throughout the life of the project. Include land loss and land use changes which could be expected adjacent to the project, such as urbanization changes in water features and characteristics, air quality, aesthetics,

etc. Discuss the impacts on the environment of project-induced primary and secondary economic and social effects, including cumulative effects. Such impacts shall be detailed in a dispassionate manner to provide a basis for a meaningful treatment of the trade-offs involved. Quantitative estimates of losses or gains will be set forth whenever practical. A thoughtful assessment of the environmental elements should aid in determining impacts.

(2) When preparing the environmental statement, care should be taken to include only information that is necessary to fully understand the proposed action and its attendant environmental impacts. Discuss both the beneficial and adverse impacts of the environmental changes or conversions, placing some relative value on the impacts described. Discuss these effects, not only with reference to the project area, but in relation to any applicable region or ecosystem.

(3) Identify remedial, protective, and mitigation measures which would be taken as a part of the proposed action to eliminate or compensate for any adverse aspects of the proposed action.

5.00 Any Probably Adverse Environmental Effects Which Cannot Be Avoided.

Discuss the detrimental or adverse aspects of the proposed action which cannot be eliminated by alternative measures to the proposed action. This discussion will identify the nature and extent of the adverse effects and the resources affected and will summarize those adverse and unavoidable effects of the proposed discussion in section 4.00. It should include a discussion of adverse effects or objections raised by others. The loss of a given acreage of wildlife habitat may be mitigated by purchase of a comparable land area, but this does not eliminate the adverse effect. Certainly, the effects on the altered elements will not disappear simply because additional land is purchased. Identify the nature and extent of the principal adverse effects and parties affected. For example: The effect on the wildlife resource value of the land after development and also the effect the development may have on adjacent habitat, especially the effect it may have on the habitat south of the development that will in essence be severed from the primary habitat area to the north. What effect, if any, the development will have on fish, due to the possible sedimentation action or the loss of other organisms through the leaching of substances, such as fertilizer from the golf course or surface water run-off from the developed area.

6.00 Alternatives to the Proposed Action. Describe the various reasonable alternatives to the proposed action, their environmental impact, their ability to accomplish the objectives, either in whole or in part, of the proposed action, specifically taking into account the alternative of no action.

In discussing the various alternatives to accomplish the objectives of the proposed action, three general categories should be followed:

(1) describe those alternatives which would accomplish all the objectives of the proposed action,

(2) describe those alternatives which may provide only a partial solution to all or part of the objectives of the project.

(3) describe the no development alternative.

Rules of reasonableness must also be followed in deciding what alternatives are proper subjects for discussion. These are summarized as follows:

(1) The fact that an alternative action cannot be implemented by the Authority alone does not by itself make the alternative not reasonably available. If alternatives requiring action by another agency or legislative action are not remote or speculative possibilities, they must be discussed in the statement.

(2) Reasonably available alternative actions and responsible views in opposition to a proposed action which are contained in comments on the environmental impact statement submitted by interested citizens or citizens' groups must be discussed.

(3) The range of alternatives that must be evaluated in an environmental impact statement concerning a proposed action which is an integral part of a wide-spread coordinated plan must be broadened beyond those alternatives that would be considered in the case of a project of more limited scope.

(4) In the case of a proposed action intended to respond to an immediate need, an alternative action that will provide only a long-term solution is probably not a reasonably available alternative and does not have to be discussed.

7.00 The Relationship Between Short-term Uses of Man's Environment and the Maintenance and Enhancement of Long-term Productivity. Assess the cumulative and long-term impacts of the proposed action with the view that each generation is a trustee of the environment for succeeding generations. Give special attention to considerations that would narrow the range of beneficial uses of the environment or past long-term risks to health or safety. The propriety of any action should be weighed against the potential for damage to man's life support system--the biosphere--thereby guarding against the short-sighted foreclosure of future options or needs. It is appropriate to make such evaluations on land-use patterns and development, alternatives in the organic productivity of biological communities and ecosystems and modifications in the proportions of environmental components (water, uplands, wetlands, vegetation, fauna) for a region or ecosystem.

8.00 Any Irreversible and Irrecoverable Commitments of Resources Which Would be Involved in the Proposed Action Should It Be Implemented. Discuss

irrevocable uses of resources, changes in land-use, destruction of archeological or historical sites, unalterable disruptions in the ecosystem, and other effects identified in subparagraph 3.00 to the extent to which the action would irreversibly curtail the diversity and range of beneficial uses of the environment should the proposal be implemented. Include possible indirect actions--those made economically feasible as a result of the proposed action--that would cause changes in land and water use and that could not be altered or reversed under free enterprise principles.

9.00 Coordination and Comment and Response. This section will be left blank initially. It will be completed later by the Authority with material provided in part by the Contractor's response to comments on the draft EIS (See D, Schedule of Submissions).

D. Schedule of Submissions.

January 15, 1975

(1) (date) - Submit preliminary draft of EIS sections 1.00 and 2.00 and a topic outline of the remainder of the EIS. Following a period of approximately two weeks the Authority will provide appropriate comments and supplementary instructions.

March 1, 1975

(2) (date) - Submit a complete draft EIS in accordance with B and C herein. Following a review and coordination period of approximately 90 days, the Authority will provide a written commentary.

June 30, 1975

(3) (date) - Submit a revised EIS in accordance with appropriate comments and complete section 9.00 of the statement including therein the comments provided by the Authority and appropriate responses to each. Where comments have resulted in a revision elsewhere in the EIS, this fact should be noted in the response to the comment.

APPENDIX A-1

PREPARATION OF BIOLOGICAL INVENTORIES

1. The inventories should list all species by both the common and scientific name.
2. Display the biotic species in a table or tables giving the status of the species in the general region, status in the project area, seasonal status (when applicable) and quantitative abundance in the general project area. It is paramount to give an explanation or definition of the terms (adjectives) used for quantification of each species, i.e., abundant, common, occasional, rare, etc. Additionally, provide a probable impact description that the project will have upon the species of mammals, birds, fishes, reptiles, amphibians, mollusks, crustaceans, etc., that normally inhabit the project area or may be influenced by the project. Specific and detailed analyses should be given to the project impacts upon the Endangered Species (see the 1973 edition of Threatened Wildlife of the U.S. by the Bureau of Sports Fisheries and Wildlife), upland game birds (turkey, quail, grouse, etc.), waterfowl (geese and ducks), big game mammals (moose, elk, deer, antelope, etc), small game mammals (rabbits, squirrels, etc.), fur bearers (mink, beaver, muskrat, nutria, etc.), and others.

SAMPLE TABLE

<u>Species</u>	<u>Habitat and/or Seasonal Status</u>	<u>Range in Region or State</u>	<u>Abundance in Region</u>	<u>Range in U.S.</u>	<u>Project Impact</u>
<u>Bobwhite colinus virginianus</u>	Permanent resident	Statewide	Common	E. North America	Minimal
<u>Mallard Anas platyrhynchos</u>	Migrant	Waterways and marsh area regionwide	Common	U.S.	None
<u>Cottontail (Sylvilagus sp.)</u>	Brushy areas	Throughout region & state	Common	U.S.	Moderate

3. List principal native aquatic and terrestrial vegetation including trees, shrubs, grasses, herbs and other vegetation growing within the project area. Indicate relative abundance or scarcity, importance as wildlife habitat, and value for cultural, aesthetic and scientific purposes.

APPENDIX B-1

ENVIRONMENTAL INVENTORY

A. The Land

1. Geology^m
 - a. historical geological formations
2. Soils
 - a. soil types, characteristics
3. Topography
4. Mineral Resources
5. Reclamation, drainage and irrigation

B. The Water and Air

1. Hydrology
 - a. Rivers, streams, ponds, lakes
 - b. run-off conditions
 - c. artesian water
 - d. estuarine and inland marshes, bogs, swamps
2. Ground water
 - a. aquifer characteristics, depth
 - b. available supply
 - c. wells-yields
3. Tidal hydraulics
 - a. tides
 - b. currents
4. Flooding
5. Sedimentation, siltation, salinity

6. Water quality
 - a. chemical
 - b. physical
7. Water usage, treatment, disposal of wastes
8. Air quality
- C. The Climate
 1. Temperature and humidity
 2. Hurricanes and tropical storms
 3. Precipitation
- D. The Biological Elements
 1. Animal life
 - a. wildlife
 - b. fish and aquatic animal life
 - c. birds and waterfowl
(include: species and diversity, habitats, counts, breeding grounds, roosting sites, feeding-nesting areas, migratory routes, endangered species)
 2. Plant life
 - a. aquatic plant life
 - b. trees and forestry
 - c. plants and grasses
(include: species and diversity; rare, remote, or unique species and their habitats; virgin stands, climax communities, counts)
- E. The People
 1. Population
 - a. present
 - b. trends

- c. distribution
- 2. Economics and employment
 - a. type of employment
 - b. income levels
- 3. Land use
 - a. agricultural, industrial, and residential
 - b. transportation, canals, bridges, highways, channels
 - c. recreation
 - (1) federal, state and local parks; forests; seashores; scenic roads and trails; wild and scenic rivers; wilderness areas; wildlife preserves and refuges; nature trails; arboretums; open and green space; research or educational areas.
- 4. Social and cultural customs and habits
- 5. Archeological elements
 - a. burial grounds, mounds, village sites, ruins, artifact sites
- 6. Historical elements
 - a. sites, monuments, structures and buildings; trails, canals, and bridges; old communities or areas retaining character of historical background
- 7. Electrical supply and use

October 16, 1974

OCT 29, 1974

GENERAL FUNDRevised Budget, 1974-75*Available Funds

Brought Forward from 1973-74 -

Regular General Fund

\$ 15,275,470

Revenue Sharing Funds

6,205,333

21,480,803

Estimated Revenue

Regular Tax Sources (Revised)**

869,000,000

Revenue Sharing

28,715,000897,715,000

Total Available

\$ 919,195,803

Appropriations954,227,986

Balance

\$ (35,032,183)

*Based on Revised Revenue estimate presented to
Budget and Control Board by Economic Advisors,
October 8, 1974. (Not Formally Adopted)

**Revised, October 8, 1974 report.

October 16, 1974

SURPLUS FUNDS

<u>Balance, End of 1973-74</u>	\$ 95,282,289
Less: Appropriated (1974) to Housing Bond Reserve Fund	<u>10,000,000</u>
	85,282,289
Less: Projected General Fund Loss, 1974-75	<u>35,032,183</u>
<u>Projected Balance, End of 1974-75</u>	\$ <u>50,250,106</u>

1975-76

<u>Available Funds (Estimated)</u>	
Surplus, End of 1974-75	\$ 50,250,106
Revenue -	
Regular Tax Sources	960,000,000
Revenue Sharing	<u>28,000,000</u>
Total Available	\$1,038,250,106
<u>Operating Appropriations - 1974-75</u>	<u>949,607,923</u>
Increased Revenue Available	\$ <u>88,642,183</u>

October 29, 1974

SUMMARY BUDGET REQUESTS 1975-76
GENERAL FUND

	1974-75 Estimated State Funds	1975-76 Requested State Funds	Increase	
			Amount	%
Total General Operations (all agencies)	\$896,234,414	\$1,123,108,749	\$226,874,335	25.31
Aid to Subdivisions	<u>67,429,000</u>	<u>73,500,000</u>	<u>6,071,000</u>	<u>9.00</u>
Total	<u>\$963,663,414</u>	<u>\$1,196,608,749</u>	<u>\$232,945,335</u>	<u>24.17</u>

Total Increase in Budget Requests	\$232,945,335
Less: Teacher Salary Increases Requested Department of Education	<u>27,982,264</u>
10% Cost of Living Increases - Teachers and State Employees	<u>58,015,771</u>
Grant Total Estimated Increase	<u>\$262,978,842</u>

SUMMARY OF ESTIMATED INCREASES 1975-76

Estimated "Built In" Increases - All Agencies	\$156,654,371
Estimated Other Major Increases - All Agencies	96,659,867
Estimated Other Minor Increases - All Agencies	<u>9,664,604</u>
Total Estimated Increases	<u>\$262,978,842</u>

October 29, 1974

ESTIMATED "BUILT IN" AND OTHER MAJOR INCREASES
1975-76 Budget Requests

	I N C R E A S E S		Total
	Built In	Major Items	
10% Cost of Living Increase (including Retirement and Social Security)			
Public School Teachers	27,310,550		
State Employees	30,705,221		58,015,771
Personal Service Increments:			
Classified	7,885,152		
Unclassified	1,643,943		9,529,095
Personal Service Annualization	2,915,908		2,915,908
Funding Change	4,801,215		4,801,215
Retirement Contributions	9,212,828		9,212,828
Social Security Contributions	7,196,740		7,196,740
Health Insurance	5,002,500		5,002,500
State Employees' Workmen's Compensation Insurance	150,000		150,000
Unemployment Compensation Insurance	20,000		20,000
Debt Service	6,977,431		6,977,431
8% Inflation Adjustment on Operating Expenses - Estimated	7,707,675		7,707,675
20% Adjustment on Travel Expenses - Estimated	1,431,930		1,431,930
Aid to Subdivisions	<u>6,071,000</u>		<u>6,071,000</u>
Subtotal	<u>119,032,093</u>		<u>119,032,093</u>
Legislative Department			
House of Representatives			
Computerized Information System		173,266	
Services Both Houses			
New positions, 2		15,231	
Postage and telephone		28,000	
Legislative Council			
Printing 1972 Code	-30,000		186,497
Judicial Department			
Increase Retired Justice pensions	38,076		38,076

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Governor's Office - S. C. Law Enforcement Div. Increase in replacement costs of 71 auto, radios and sirens		112,550	
Governor's Office - Division of Administration Increase in matching requirements in HUD-701 and RFP funding		189,090	
Increase in requirements implementing federal programs		135,000	
Decrease in Aid to Cities, Towns, and Counties	-1,288,951		
Decrease in Coastal Zone Planning Council	-100,000		
Decrease in matching Federal Law Enforcement Program	-296,110		
Governor's Office - Div. of Health & Social Dev. Increase in professional fees - subcontracts on computer time and federal funds		52,823	-1,195,598
Lieutenant Governor's Office Increase in salary of Lt. Governor	1,250		1,250
Secretary of State's Office Increase in salary of Secretary of State	2,000		2,000
Comptroller General's Office Increase in salary of Comptroller General	2,000		2,000
State Treasurer's Office Increase in salary of State Treasurer	2,000		2,000
Attorney General's Office Increase in salary of Attorney General	2,000		
New positions (19) - expansion of staff		186,359	
Implementation of Judicial Commitment Act		334,950	
Expansion of office - other than personal service		75,000	598,309
Adjutant General's Office Increase in salary of Adjutant General	2,000		
Pension funds - Retired National Guard	45,000		
Additional Security - McEntire Air Base	12,500		
Upgrading insurance coverage - armories		44,965	
Roof replacement - 10 armories		49,900	
New positions (6) partially federal funded		3,200	157,565
State Election Commission Decrease in election expenses - off election year	-776,272		-776,272
Budget & Control Board - Finance Division New positions (13) expansion of computer management and computer operations		158,000	
Increase in rental computer equipment		107,700	
Budget & Control Board - Research & Statistical New positions (2) expansion of staff		18,808	
Increase in cost of National Monthly Forecast		15,000	
Budget & Control Board - General Services New positions (13) expansion of staff		119,805	
Printing state documents		115,000	

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Budget & Control Board - Retirement Division			
New positions (8) expansion of staff		58,200	
Budget & Control Board - Personnel Division			
New positions (10) expansion		85,211	
Increase in computer time rental		42,475	
Increase in data processing equipment rental		15,500	735,699
 Commission on Higher Education			
Rent	9,073		
SREB Costs	21,000		
MIS development	9,200		
Contract grants to students	44,200		
Expand staff		50,987	
Consortia development		50,000	
In-service teacher training		100,000	284,460
 Higher Education Tuition Grants			
Administration costs	29,650		
To continue grants using same criteria for new freshmen applicants and present recipients	1,320,000		
To fund all students using present criteria		1,100,000	2,449,650
 Colleges and Universities (except Medical University)			
\$18,322,885 required to fill recommendations of CHE, except fund Citadel & State at 2.5% over last year, rather than 5% as suggested by CHE. Going to 5% on these two colleges would cost an additional \$279,613. Each 1% reduction in the formula's calculation for Basic Educational & General Operations would reduce the total appropriation slightly over \$1,000,000.	18,322,885	279,613	18,602,498
 Medical University			
As recommended by CHE	1,456,366		1,456,366
 Department of Education			
Superintendent's salary	2,000		
Transportation of students	1,416,365		
Administer Proprietary School Act	25,000		
Increase in number of teachers	4,163,700		
Teacher certification increases	1,429,280		
Handicapped - special costs	200,000		
School lunch program	474,000		
Other	-25,000		
Increase supervisory ratio from 1:350 to 1:300		2,672,000	
Eliminate B, C, and D Certificates over three years		2,000,000	
School district operational aid from \$35 to \$40 per pupil		2,760,000	
School building aid from \$30 to \$40 per pupil (\$25 to \$20 for kindergarten pupils)		6,218,200	97

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Adult educational aid to increase enrollment from 71,983 to 80,000		439,000	
Kindergarten - to implement 4th year - 65% of 5-year goal - adding 188 units, 10,296 children		2,500,000	
Driver Education to raise rate of state support from \$30 to \$40 per pupil		201,000	
Talented & gifted students to expand program about 50%		100,000	
Vocational construction & equipment - construction for 5 locations and equipping eleven locations		4,000,000	
Adult vocational training - to operate special adult vocational courses after normal school hours		300,000	
Testing & assessment programs - \$30,300 for cost increases and \$33,350 for program study		63,650	
Textbooks - to provide free basal textbooks for grades 9-12		2,237,370	
Film library - for adding service for private schools and meeting heretofore unfulfilled requests		152,779	31,329,344
 Technical & Comprehensive Education Built in increases of \$1,199,638 provides funding for about ½ of anticipated enrollment increase. To provide full funding for estimated enrollment would require \$1,514,637 additional.	 1,199,638	 1,514,637	 2,714,275
 Educational Television Commission 75-76 Phase Closed Circuit	 393,264		
Beaufort & Sumter stations annualization	113,335		
Adult and college education		62,879	
Pre-school and day care		127,141	
Radio operations		85,292	
Second shift printing		56,663	
Increased demand for ETV service		212,402	
Operational costs - 3 new stations		859,350	1,910,326
 School for the Deaf & the Blind Additional office staff	 14,459		
For operation of new multiple handicapped educational facility for ¼ of a year	125,000		
Other	548		
Computer purchase and operation		36,078	
Increased bus routes		33,200	
Stand-by generator		36,630	245,915
 Department of Archives & History New positions (22) expansion of staff		 137,473	
Expansion of computer time		26,409	163,882

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
South Carolina State Library Increase in state aid to county libraries from 35¢ to 50¢ per capita		388,577	388,577
South Carolina Arts Commission New positions (21) expansion of staff		209,900	
Increase in contractual services in the various programs:			
Arts in Education		217,262	
Contemporary Arts Division		367,000	
Professional Arts Division		278,400	
Atalaya Arts Center		50,000	
State Theatre		312,500	
State Symphony		180,192	
S. C. Chamber Orchestra		40,000	1,655,254
South Carolina Museum Commission General operations		55,100	55,100
Department of Health & Environmental Control Aid to Health & Environmental Control Districts	742,900		
Per proviso, increments and annualization			
737 new positions) expansion of services,		5,488,000	
Support Costs) new services and programs		9,000,000	15,230,900
Nuclear Advisory Council General operations		61,148	61,148
Department of Mental Health 150 new positions to replace patient labor		750,000	
632 new positions for accreditation		4,455,000	
114 new positions for growth and expansion		1,132,000	
Support Costs - for growth, replacement and improvement and additional services		477,000	
Autistic Children's Program (275,000 - 404,000)		129,000	
CMHS - Precare, Screening & Aftercare Program (440,000 - 880,000)		440,000	7,383,000
Department of Mental Retardation To provide increased services in communities		1,769,000	
Total (5,126,000 - 8,843,000)			
State (2,001,000 - 4,151,000)			
For accreditation at Whitten Village - 220 new positions and support costs		1,229,000	
To provide expansion and improve services at Midlands; 213 new positions and support costs		1,230,000	
Genetic Counseling & Service - new program		205,000	
To provide improved services at CC; 70 new positions and support costs		400,000	
To provide improved services at Pee Dee; nursing home purchase 10-74; all related to Medicaid requirements		150,000	
Administrative Fee - 5% of new federal pro- grams to DSS		129,000	5,112,000

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Commission on Alcohol and Drug Abuse			
To match local projects in small counties since mini-bottle revenue is insufficient (150,000 - 200,000)		50,000	
New Program - Detoxification Centers		1,312,500	
Expansion of statewide ASAP (300,000 - 350,000)		50,000	1,412,500
Department of Social Services			
Assistance Payments			
1. AFDC - Aid to Families with Dependent Children			
a. for a projected 18% increase in eligible persons	1,032,312		
b. to increase level of payment by 5% (26.16 to 27.47)		945,508	
c. to increase allowable budgeted deficit from 57% to 75% (27.47 to 38.15)		7,473,010	
2. General Assistance			
a. essential persons - for a projected increase of 29% in number of persons under care	309,996		
b. boarding home care			
1. for a projected increase of 19% in number of persons under care	703,800		
2. to raise maximum payment level from 215.00 to 230.00 per month		387,000	
3. Medical Care Program			
a. for a projected 19% increase in the number of eligible persons, 25% in nursing homes, 20% in hospitals and 5% in professional services and drugs	4,369,028		
b. to replace federal funds - the federal matching rate changes from 75% to 73.5% effective July 1, 1975	1,615,857		
4. Medically Needy Program - this is a requested new program for the aged, blind or disabled adults or dependent children whose income or resources are too large for a grant award but who spent this in- come for medical expenses to the point of eligibility.		11,418,308	
5. Foster Home Care - reduction to reflect budgeted amounts for 75-76		-35,110	
6. Development, Equipment and/or Operation of Day Care Centers - to reflect budgeted amounts for 75-76		-348,153	
7. Patients - Dept. of Mental Health - to reflect budget amounts for 75-76		-4,372	
Other Contractual Service		134,175	
All Other		-104,505	27,896,854
Vocational Rehabilitation			
7 new positions - for enlarged data processing system		26,471	
Rents - Non-state-owned Real Property - for increased space demands on the administrative division required moving to new quarters	34,580		100

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Rents - Data Processing Equipment - for enlarged system	11,550		
Case Services - for increased service to citizens, medical and hospitalization costs and increasing number of handicapped clients		921,751	994,352
John de la Howe School			
Educational Supplies - for the new educational facility	1,950		
Motor Vehicles & Equipment - for replacement of automobile assigned to the school	2,000		
Food Supplies - for increased cost	7,000		10,950
Children's Bureau			
1 new position - for handling increased record keeping	12,148		
Professional & Other Fees - for a projected increase in doctors' fees of 25% and others, 20%	8,000		
Case Services - for increased cost of clinic fees, obstetrical care, and hospital care	4,000		
Medical Payments for Physically/Mentally Handicapped Children - carry forward funds results in decrease for 75-76		24,253	48,401
Commission for the Blind			
16 new positions for expansion of services to the Prevention of Blindness and Rehabilitation Services Program areas		45,128	
Motor Vehicle Equipment - for station wagon or passenger car for use in transporting individual clients		16,000	
Other Equipment - for purchase of radio talking book services in continued development of this program		19,941	
Case Services - for volume and cost increase		13,841	94,910
Commission on Aging			
Telegraph and Telephone, Office Supplies - for increased costs	9,089		9,089
State Housing Authority			
-1 deletion of position		-13,804	
Professional & Other Fees - for purchase of financial and expertise necessary to market the Authority's bonds		115,591	101,787
Human Affairs Commission			
2 new positions - for increased workload and informing the public concerning civil rights laws		15,169	
Travel - for additional travel for the Commission members, staff mileage and agency sponsored workshops		16,002	

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Printing, Binding & Advertising - the present allocation for travel is not sufficient to disseminate information statewide		6,962	
Rents - Non-state-owned Real Property - for additional 600 sq. ft.		4,061	
Motor Vehicles & Equipment - for replacement of Commission automobile		6,000	48,194
Department of Corrections			
181 new positions for increased population		1,110,000	
93 new positions for new units		693,000	
Support costs for increased population, new units and replacement		1,670,000	
For operations and assumption of certain county prison systems		1,990,000	
Inmate earnings per plan (345,500 - 1,200,000)		854,500	
Inmate gate fund (new item)		100,900	
Stipends for 6 positions - new item		48,300	6,466,700
Probation, Parole and Pardon Board			
Upgrade all positions (to attract and retain better qualified personnel)		208,000	
To reduce case load, 173 new positions			
6 in Administration		69,950	
152 in Probation & Parole Operation		1,062,750	
102 Officers and Supervision			
50 Secretaries			
15 for Regional Field Offices		96,000	
Support costs for new personnel		294,000	
Replacement equipment in county offices		20,300	
Operating expenses for growth		25,000	1,776,000
Youth Services			
88 new positions to improve and provide additional services		630,600	
Overtime to meet F.L.S. Act		60,000	
Temporary help for summer recreation and harvesting		27,000	
Other operating expenses for growth		28,000	
improvements and replacement		13,000	
additional services		39,000	797,600
Juvenile Placement and Aftercare			
7 new positions for caseload growth and new branch offices		41,000	
Support costs for new positions		19,000	60,000
Water Resources Commission			
9 new positions for growth and to fulfill legislative requirements such as the Ground Water Use Act and Water Resources Planning and Coord. Act		98,400	
Support costs for growth and additional services		83,500	102

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
For ongoing programs:			
Water Res. Res. - Clemson (60,000 - 87,000)		27,500	
Comp. Land Use Plan - Tidal (5,000 - 10,000)		5,000	
Ground Water Use Act (40,000 - 80,000)		40,000	
Coop. Studies with USGS (70,000 - 77,000)		7,000	
New Programs:			
Piedmont Ground Water Eval.		25,000	
S. C. Hydrologic Data Center		20,000	
Lower Santee Hydrologic Model		15,000	321,400
State Land Resources Conservation Commission			
5 new positions for growth and expansion of services		57,500	
District Comm. public election - by law	6,000		
Per diem for 275 Cons. Distr. Comm. and 225 Distr. Dir. to attend board meetings (new - required by law)		25,250	
Operating expenses for growth, improvement/ replacement and new and additional services		150,000	
For ongoing programs:			
Soil Survey (58,000 - 83,000)		25,000	
Water Cons. & Flood Prev. (77,542 - 107,206)		29,664	
Funds for Districts (84,000 - 138,000)		54,000	
For new programs:			
Sediment and Erosion Control		20,000	
Irrigable Land Assessment		10,000	377,414
State Forestry Commission			
19 additional flexible crewmen		15,200	
Wage increase - temporary help	16,700		
Furnish official uniforms for rangers and wardens		76,500	
Assistance to landowners - to increase production of tree seedlings		47,600	156,000
Department of Agriculture			
Rent - R/E (35,571 - 64,977)	29,406		
To improve marketing services; to support and improve cattle industry		50,000	79,406
Agricultural Marketing Commission			
Support costs for traveling and educational coverage with county agents and grain dealers		3,835	3,835
Clemson - P.S.A.			
Agricultural research			
New and expanded programs		125,000	
Permanent improvements		260,000	
Forest and recreation resources			
Continued expansion		300,000	
Extension service			
New and expanded programs		300,000	
Pesticide Training Program	50,000		1,035,000

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Wildlife and Marine Resources			
Overtime - F.L.S. Act		30,000	
40 new positions - for growth, improve and provide additional services	259,000		
Operating expenses - for growth, improvements/ replacement and additional services		323,000	
For ongoing programs:			
Freshwater Fisheries Center (150,000 - 272,961)		122,961	
Weed Control Project - Santee (compl. in 74-75)		-50,000	
Coastal Zone Plan. & Mgt. Council		75,000	
For new programs:			
Boating Safety		60,000	
Water Fowl Section Establishment		70,000	
Non-game and Endangered Species Project		69,900	959,861
Parks, Recreation and Tourism			
Temporary/part-time help - F.L.S.A.		270,982	
Temporary help - 3 mos. at Welcome Centers		4,000	
Rent - State R/E (109,183 - 123,574)	14,391		
Operating Expenses for 2 new parks		75,000	
Postage (75,000 - 85,000) for inquiry volume		10,000	
Advertising & Promotion Media (869,288 - 914,000) 5.1% increase		44,762	
Bicentennial Festival - new program		50,000	469,135
State Development Board			
Rent - non-state (104,885 - 128,000)	23,115		
Travel - for foreign trade and reverse investment missions		77,165	
For service to communities, agri-business and for Heritage Golf Classic at Hilton Head		60,000	
Printing - for new publication on geologic mapping and mineral resources investigation		11,850	
Printing and Advertising (433,780 - 672,300) 17% increase		238,520	410,650
Patriots Point Development Authority			
21 new positions for expansion		220,000	220,000
Public Service Commission			
5 new positions - for expanded programs of Legal Utilities Engineer due to increased rate cases and inspecting water and sewer systems		47,132	
Rents - Non-state-owned Real Property - for a requested 1,820 additional sq. ft. to alleviate overcrowded conditions		15,700	
For Employers Share			
Police Officers Retirement		7,709	
State Retirement		13,052	
Social Security		12,191	
Health Insurance		13,234	
Motor Vehicles & Equipment - reduction requested for purchase of autos		-84,132	104
Expert Witnesses and Consultants - for consultants and experts in rate proceedings		100,000	124,886

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Industrial Commission			
8 new positions for increased workload as a separate state agency		61,674	
Office Equipment - for replacement of several typewriters and calculators		5,850	67,524
State Workmen's Compensation Fund			
1 new position - for increased workload as a result of having been established as a separate state agency		6,632	
Office Equipment - estimated needs for start-up program		14,000	20,632
Insurance Department			
Rents - Data Processing Equipment - this increase will allow the issue of agents' licensing by computer		27,800	
Office Supplies - for increased cost of forms required for agents' licensing		12,000	
Organizational Study - no request made for 75-76		-50,000	-10,200
Board of Bank Control			
The increase requested is reflected in the inflationary adjustment figure			
Commission on Consumer Affairs			
6 new positions - for a full year operation		60,085	
Other Operating Expenses - for a full year Operation		12,692	72,777
State Dairy Commission			
The increase requested is reflected in the inflationary adjustment figure			
Department of Labor			
21 new positions - for expanded OSHA Program		110,692	
1 Professional & Other Fees - a request is made for a Program Monitor of OSHA		20,000	
Travel - for expanding program implementation of OSHA		24,000	
Rents - Data Processing - for increased demand of computer services		20,533	
New program of elevator & boiler inspection		7,508	
Migrant Labor - this legislation is pending; if passed, these funds will be necessary		45,071	
Professional & Other Fees		-18,579	209,225
Aeronautics Commission			
Other Contractual Services - for increased cost of construction and installation of navigational aids		25,000	
Planning Grants - state share for matching local and federal funds for planning		76,500	105
Repairs to airports		50,000	151,500

	<u>Built In</u>	<u>Major Items</u>	<u>Total</u>
Contractors Licensing Board This increase requested is reflected in the inflationary adjustment figure			
State Tax Commission 20 new positions - for increased workloads resulting from the volume increase of tax returns		126,066	
Other Operating Expenses - for increased cost and volume		389,260	
Data Base System - for the purchase of a program management system		30,500	545,826
Alcoholic Beverage Control Commission Motor Vehicles & Equipment - for replace- ment of 15 investigators' and 1 commissioner's autos		8,450	8,450
Department of Veterans Affairs 1 new position - for increased workload of Claims Representatives		10,776	
Aid to Counties Restricted - a requested 10% increase is made for county offices		36,550	47,326
Employment Security Commission This increase requested is reflected in the inflationary adjustment figure			
Miscellaneous New Horizon Authority - working capital		250,000	
Aid to local entities - Historic Preservation		250,000	500,000
TOTAL	<u>156,654,371</u>	<u>96,659,867</u>	<u>253,314,238</u>

STATE BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
Agenda

October 29, 1974

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In accord with classification system for vehicles for department heads administering budgets over \$4 million or driving 20,000 miles a year, we took bids and Chrysler Newport Custom was the low bid for 1975 models. A number of department heads prefer a choice of other vehicles in this class and it is recommended that the Board act on these requests.

III. Morgan Island - Information

Info
Mr. William W. Espy has offered Morgan Island to the State of South Carolina at a price of \$1,100,000. This information was conveyed to Parks, Recreation and Tourism and Wildlife Departments. Either agency would be happy to have possession of the island, but neither has the funds for its purchase. There was some indication that St. Phillips and Capers Islands might be of more benefit to the State if they can be acquired. *notify Heritage Trust*

IV. Parking

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Agency heads are continuing to press for reserved parking for themselves and for State-owned vehicles. It is recommended that the Board review policies on this subject.

OCT. 29, 1974

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EXHIBIT VII
OCT-29, 1974

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A RESOLUTION
PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF
THE STATE EDUCATION ASSISTANCE AUTHORITY, AND
OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE STATE EDUCATION ASSISTANCE
AUTHORITY, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT AND
INTENT OF RESOLUTION

SECTION 1.01.

As an incident to the adoption of this Resolution (hereinafter referred to as the "Resolution" or the "Bond Resolution") and the issuance of the bonds provided for herein, The State Education Assistance Authority (the "Authority") finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. The Authority is a body politic and corporate and a public instrumentality of the State of South Carolina. It was created by Act No. 433 of the Acts and Joint Resolutions of the General Assembly for the year 1971 (the "Act").

2. The Authority consists of the members from time to time of the State Budget and Control Board of South Carolina who, by reason of their offices, constitute the membership of the Authority.

3. The Authority was created in order to provide a means of making loans to "Students", as such term is defined by the Act, in order to enable them to attend "Eligible Institutions", as such term is defined in the Act.

4. The Authority is empowered, inter alia, to develop and administer all programs and to perform all functions necessary or convenient to promote and facilitate the making of student loans and to provide such other student loan assistance and services as the Authority shall deem necessary or desirable (the "Student Loan Program").

5. Following the enactment of the Act, a challenge was made as to its constitutionality. The Supreme Court of South Carolina in the case of Durham v. McLeod, et.al., 259 S.C. 409, 192 S.E.2d 202, upheld the validity of the Act and the functionings of the Authority pursuant thereto. An appeal was taken to the United States Supreme Court on the ground that the Act violated the establishment clause of Article I of the amendments to the Constitution of the United States. Such appeal was thereafter dismissed, (413 U.S. 902, 37 L.Ed.2d 1020, 93 S.Ct. 3060).

6. Immediately following the judicial validation of the Act, the Authority set about to devise a means whereby a suitable and workable program might be instituted in order to provide funds to make student loans. After much consideration, it was determined that the program should be administered on behalf of the Authority by a non-profit corporation sponsored by the South Carolina Bankers Association and incorporated under the name of South Carolina Student Loan Corporation (the "Loan Corporation").

7. The Authority has now:

(a) authorized a contract with the Loan Corporation to administer its Student Loan Program; and

(b) adopted regulations under which the Loan Corporation will act for the Authority.

Such contract and such regulations have been made a part of the records of the Authority.

8. The Loan Corporation has in turn adopted procedures for the administration of the Student Loan Program which have been approved by the Authority and which are a part of the records of the Authority.

9. Application has been made by the Authority to the United States of America, Department of Health, Education & Welfare, Office of Education, Division of Insured Loans in the Bureau of Higher Education (HEW), which has been approved, and a Contract of Insurance has been entered into between the Authority and HEW acting through the United States Commissioner of Education (the "Commissioner"), under which all loans made by the Authority to eligible students will be fully insured.

10. By reason of the foregoing it appears that the program contemplated and authorized by the Act can now be implemented.

11. The Loan Corporation has advised the Authority that it should now raise the \$5 million authorized by the

Act in order to implement its contemplated program. It has further advised that if the Student Loan Program succeeds as now anticipated, further sums should be raised and that any proceedings taken for the issuance of bonds pursuant to the Act should make provision for the issuance by the Authority of bonds in addition to those now authorized by the the Act. Section 9 of the Act reserves to the General Assembly the right to amend the Act by enlarging the bond authorization.

12. Arrangements have been made by the Authority to sell \$5 million of its Revenue Bonds to be dated November 1, 1974, to mature November 1, 1984 and to bear interest at 5 1/2% per annum payable semi-annually on May 1 and November 1 of each year, to a syndicate of South Carolina Banks.

13. It is contemplated that the "spread" between the interest to be paid upon its Revenue Bonds and the earnings that it will make on Student Loans will provide the Authority with the necessary funds to pay the costs and expenses of the Student Loan Program.

14. On the basis of the foregoing, the Authority adopts this resolution as a vehicle pursuant to which all bonds of the Authority will be issued.

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ARTICLE II

DEFINITIONS

SECTION 2.01.

This resolution may hereafter be cited and is hereinafter sometimes referred to as the "Resolution" or "Bond Resolution".

SECTION 2.02.

In the Bond Resolution, unless a different meaning clearly appears from the context:

(1) "ACT" shall mean Act No. 433 of the Acts of the General Assembly of the State of South Carolina for the year 1971. It shall also mean Act 433 as changed or modified as a result of legislation hereafter enacted amendatory or supplementary to Act 433, enlarging the amount of bonds to be issued thereunder.

(2) "AUTHORITY" shall mean the State Education Assistance Authority which consists of the members from time to time of the State Budget and Control Board of South Carolina, ex officio.

(3) "BONDS" shall mean all revenue bonds to be issued pursuant to the Bond Resolution and the Act.

(4) "COMMISSIONER" shall mean the person who shall from time to time function on behalf of the United States of America Department of Health, Education & Welfare in administering the Federal program insuring student loans.

(5) "CONTRACT" shall mean the contract between the Authority and the Loan Corporation pursuant to which the Student Loan Program is to be administered.

(6) "ELIGIBLE INSTITUTION" shall mean (a) any institution of higher learning or post-secondary business, trade or technical educational schools; and (b) vocational and training schools, which shall have received the approval as such by the Authority, provided always that such eligible institution shall qualify under the regulations from time to time promulgated by the Commissioner.

(7) "INSURANCE CONTRACT" shall mean the contract effective July 27, 1974 between the Authority and the Commissioner, and any and all amendments thereto.

(8) "LOAN CORPORATION" shall mean the South Carolina Student Loan Corporation, a corporation organized and existing under the laws of the State of South Carolina and with which the Authority has contracted to administer its Student Loan Program.

(9) "LOAN FUND" shall mean the fund directed to be established by Section 7 of the Act and which is established by the provisions of Section 5.01 hereof.

(10) "PAYING AGENT" shall mean the banking institution at which the principal of or interest on any bonds shall be made payable and shall also include the State Treasurer of South Carolina whenever the State Treasurer is acting as Paying Agent for any bonds or coupons.

(11) "REVENUES" shall mean all moneys derived by the Authority from the sources set forth in the last paragraph of Section 9 of the Act.

(12) "SINKING FUND" shall mean the fund directed to be established by Section 8 of the Act and as established by the provisions of Section 5.04 hereof.

(13) "STATE TREASURER" shall mean the State Treasurer of South Carolina.

(14) "STUDENT" shall mean any resident of South Carolina in attendance of any Eligible Institution and who is also an "eligible student" within the meaning of the Insurance Contract and the regulations of the Commissioner from time to time in effect.

(15) "STUDENT LOAN PROGRAM" shall mean the program which makes loans to Students in order to enable them to attend Eligible Institutions in accordance with the provisions of the Act.

(16) "SUPPLEMENTAL RESOLUTION" shall mean the resolution or resolutions providing for the issuance of Bonds of any series and which prescribe inter alia the date of such Bonds, the maturities thereof, the interest rate or rates borne thereby, the paying agents thereof, the form and denomination thereof, the redemption provisions, if any, the method of sale or disposition thereof, and the purpose or purposes to which the proceeds thereof shall be applied.

(17) Articles, Sections and paragraphs mentioned by number are the respective articles, sections and paragraphs of the Bond Resolution so numbered.

(18) Words importing persons include firms, associations and corporations.

(19) Words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(20) Words importing the singular number include the plural number and vice versa.

(21) The words "hereof", "herein", and "hereunder", or words of similar import, refer to this Bond Resolution as a whole.

ARTICLE III
ISSUANCE OF BONDS

SECTION 3.01.

Subject to the limitations hereafter in this Section 3.01 imposed, Bonds to the extent authorized by the Act may be issued from time to time by the adoption of a Supplemental Resolution to the Bond Resolution, and, when so authorized and issued, and if issued in accordance with the provisions of the Bond Resolution and the Act, such Bonds shall be on a parity inter sese in all respects, notwithstanding that they may bear a different date, rate of interest, number, date of execution or date of delivery. The following limitations shall apply to the issuance of Bonds:

(1) Bonds may be issued only for purposes which are permitted by the Act and in accordance with the terms and limitations thereof, or to refund any outstanding Bonds;

(2) On the occasion of the issuance of any Bonds, no default exists with respect to the payment of the principal of or interest on any Bonds then outstanding;

(3) The Authority shall have found that its revenues and the proceeds of any Bonds to be issued to refund outstanding Bonds will be sufficient to provide for the punctual payment of the principal of and interest on all Bonds to be outstanding.

SECTION 3.02.

All Bonds shall be expressed to mature on November 1 in the years wherein the same fall due and shall bear interest payable as of May 1 and November 1 in the years wherein interest becomes due.

SECTION 3.03.

All Bonds shall be issued in such series as the Authority shall from time to time prescribe. Each series shall be given a separate notation so as to distinguish the Bonds of such series from the Bonds of all other series.

SECTION 3.04.

Bonds shall have such maturities and shall bear such rate or rates of interest within the limitations of the Act as the Authority shall prescribe in the Supplemental Resolution authorizing the issuance of such series of Bonds.

SECTION 3.05.

Both the principal of and interest on all Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts at the offices of such paying agent as may be provided for in the Supplemental Resolution providing for the issuance of such series of Bonds.

SECTION 3.06.

In the issuance of any series of Bonds the Authority may reserve the right, at its option, to redeem the same, or any part thereof, prior to the stated maturity

thereof on such occasions and at such redemption prices as the Authority shall deem appropriate; and if any such Bonds are redeemed, the Authority shall give notice of redemption by publication of a notice of redemption, describing the Bonds to be redeemed and specifying the redemption date, at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal printed in the English language and published in the Borough of Manhattan, City of New York, State of New York; Provided, that the said published notice of redemption need not be given if all Bonds to be redeemed shall be outstanding in fully registered form, if notice in writing is given to the registered holders thereof not less than thirty days nor more than sixty days prior to the date so fixed for redemption.

Interest on all Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice unless the Authority defaults in making due provision for the payment of the redemption price thereof.

SECTION 3.07.

Bonds when outstanding in coupon form shall be negotiable instruments, and shall be transferable by delivery except when registered as to principal in the name of the holder at the office of the State Treasurer, on registry books to be kept by the State Treasurer on behalf of the Authority for such purpose. In each such instance such

registration shall be noted on the reverse side of each Bond, after which no transfer of such Bond shall be valid unless made on said books by the registered holder in person or by his duly authorized attorney, and similarly noted on the Bond, but such Bond may be discharged from such registration by being in like manner transferred to bearer, after which it shall again be transferable by delivery, and may again and from time to time be registered or discharged from registration in the same manner. The registration of any Bond as to principal only shall not affect the negotiability of any coupons appertaining thereto, which shall continue to be payable to bearer and transferable by delivery. If the Supplemental Resolution so provides, each bond issued in coupon form may be registered as to both principal and interest, in which event all unmatured coupons shall be cut off and destroyed by the State Treasurer, and that fact noted thereon by him and thereafter interest originally evidenced by such surrendered coupons shall be paid by check or draft by the State Treasurer at the times provided therein.

SECTION 3.08.

The Authority and all Paying Agents may treat and consider the holder of any coupon bond which shall not at the time be registered as to principal other than to bearer, as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment therefor

and for all other purposes whatsoever, and neither the Authority nor any Paying Agent shall be affected by any notice to the contrary. The Authority and all Paying Agents may treat and consider the bearer of any coupon appurtenant to any coupon Bond as the absolute owner thereof, whether such coupon or such Bond shall be overdue or not, for the purpose of receiving payment therefor and neither the Authority, nor any Paying Agents, shall be affected by any notice to the contrary. The Authority and all Paying Agents may treat and consider the person in whose name any coupon Bond for the time being shall be registered as to principal upon the books of the State Treasurer as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or redemption price thereof and for all other purposes whatsoever, except for the purpose of receiving payment of coupons, and neither the Authority, nor any Paying Agents, shall be affected by any notice to the contrary; and payment of, or on account of, the principal or redemption price, if any, of such coupon Bond shall be made only to, or upon the order of the person in whose name the same shall be registered. All payments made as in this Section provided shall be valid and effectual to satisfy and discharge the liability upon the several Bonds to the extent of the sum or sums so paid.

SECTION 3.09.

All Bonds when issued in or converted to fully registered

form shall be transferable only by the registered owner in person or by his attorney duly authorized; no transfer thereof shall become effective until the transfer shall be duly noted by the State Treasurer in the Bond Register to be kept by the State Treasurer and the transfer duly noted on the back of the registered Bond. On the occasion of any transfer of any registered Bond, an appropriate notation, indicating the date to which interest has been paid, shall be entered in the Bond Register and on the back of the registered Bond. The Authority and the State Treasurer may treat and consider the person in whose name a fully registered Bond shall be registered as the absolute owner thereof for the purpose of receiving payment of the interest, principal or redemption price thereof and for all purposes whatsoever.

SECTION 3.10.

All Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman of the Authority, under the Corporate Seal of the Authority which shall be impressed or reproduced thereon, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. Interest coupons of any Bond issued in coupon form shall be signed by the facsimile signatures of the Chairman and the Secretary or Assistant Secretary of the Authority. Any facsimile signature appearing on the Bonds and coupons may be those of the persons who are in office on the date of the adoption of the Supplemental Resolution prescribed by Section 3.01. The Bonds shall be manually signed by a person holding office when the Bonds

are printed and are ready for delivery. In case any officer whose signature or facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, as though such person had remained in office until the delivery of such Bonds. Provided, that no Bond shall be valid unless the certificate of authentication appearing on such Bond shall be duly executed by the State Treasurer.

SECTION 3.11.

In case any Bond shall become mutilated in respect of the body of such Bond or the coupons, if any, appertaining thereto, or shall be believed by the Authority to have been destroyed, stolen or lost, upon proof of ownership, satisfactory to the said Authority, and upon surrender of such mutilated Bond, with its coupons, if any, to the Authority, or upon receipt of evidence satisfactory to the Authority of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Authority, and upon payment of all expenses incurred by the Authority for any investigation relating thereto, and all expenses incurred in connection with the issuance of any new Bond under this Section, the Chairman and Secretary of the Authority shall execute and deliver a new Bond of the same maturity, and for the same aggregate principal amount, with the coupons, if any,

appertaining thereto, of like tenor and date, bearing the same number, with such notations as the Authority shall determine, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, its coupons, if any, or in lieu of and in substitution for the bond and coupons, if any, so lost, stolen or destroyed; Provided, in the event any such Bond or coupon so destroyed, lost or stolen shall have matured, instead of issuing a duplicate Bond or coupon, the Authority may pay the same without the surrender thereof, upon receiving indemnity as above provided.

SECTION 3.12.

The form of the Bonds of any series shall be as prescribed by the Supplemental Resolution required by Section 3.01 hereof and shall be set forth in or attached as an exhibit to the Supplemental Resolution.

ARTICLE IV

SECURITY FOR BONDS AND
PROVISIONS FOR PAYMENT

SECTION 4.01.

For the punctual payment of the principal of, premium, if any, and interest on all Bonds issued hereunder as the same respectively become due, there are hereby pledged the Revenues of the Authority remaining after paying the costs and expenses of the operation of the Student Loan Program. Such pledge shall inure to the equal and ratable benefit of the holders of all Bonds issued hereunder.

SECTION 4.02.

All Bonds shall be payable solely from the Revenues, which shall from time to time be applied to the payment of the principal of, premium, if any, and interest on the Bonds. The Bonds do not and shall not be deemed to constitute a debt, liability or obligation of the State of South Carolina or any political subdivision thereof, but shall be payable solely from the Revenues. Each Bond shall contain a statement on its face to the effect that the Authority is not obligated to pay the principal of, premium, if any, and interest on the Bonds except from the Revenues. Neither the members of the Authority, nor any person required by the provisions of this Resolution to sign the Bonds shall be personally liable thereon.

ARTICLE V

ESTABLISHMENT OF FUNDS

SECTION 5.01.

There is hereby established a trust fund which shall be designated as the State Education Assistance Authority Loan Fund (herein, the "Loan Fund"). It is the fund ordered to be established by Section 7 of the Act. Moneys in the Loan Fund shall be used to make loans to Students in attendance at Eligible Institutions and to defray the expenses of the operation of the Student Loan Program.

SECTION 5.02.

There shall be deposited in the Loan Fund the proceeds derived from the sale of Bonds (exclusive of accrued interest) and all other moneys made available to the Authority to enable it to discharge its functions under the Act, and moneys from time to time transferred to the Loan Fund from the Sinking Fund. The Loan Fund shall at all times be in the custody of the State Treasurer.

SECTION 5.03.

Prior to the issuance of any Bonds hereunder, there shall be deposited in the Loan Fund the sums appropriated for the Student Loan Program by the General Assembly by the State Appropriation Act for 1974, viz: the sum appropriated under Item IV of Section 9 and the sum appropriated by the last proviso of Section 14 of said

Act.

SECTION 5.04.

There is hereby established a trust fund which shall be designated as the Sinking Fund. It is the fund ordered to be established by Section 8 of the Act. Moneys in the Sinking Fund shall be used to pay the interest on and principal of the Bonds and to establish such reserve therefor, as the Authority shall from time to time deem necessary or required; provided that the Authority may from time to time transfer from the Sinking Fund to the Loan Fund moneys which are not then required for the payment of the interest on or principal of the Bonds or for the reserve established therefor.

SECTION 5.05.

There shall be deposited into the Sinking Fund, the following:

- (1) All moneys received by the Authority by way of accrued interest from the sale of any Bonds.
- (2) All collections derived from Student loans and collected for the Authority by the Loan Corporation.
- (3) All other revenues of the Authority that the Authority may derive, including earnings from all investments, and any and all other moneys that may be payable to the Sinking Fund by reason of any gift, grant or appropriation which designates that such

moneys shall be deposited in the Sinking Fund.

SECTION 5.06.

The Authority shall from time to time apply moneys in the Sinking Fund to:

- (1) the payment of interest on the Bonds;
- (2) the payment of principal of the Bonds or to establish a reserve therefor; and
- (3) to make transfers to the Loan Fund for the purposes of such fund provided that no transfer shall be made to the Loan Fund if the amount then required to meet the payment of the next ensuing payment of interest on the Bonds is not on hand and available for such purposes.

ARTICLE VI

INVESTMENTS

SECTION 6.01.

All moneys in the Loan Fund and the Bond Fund which are not then required to be used for any of the purposes of such funds may from time to time be temporarily invested and reinvested by the State Treasurer in the securities permitted by Act 438 of the 1967 Acts. All earnings from such investments shall constitute a part of the Revenues of the Authority and shall be deposited in the Sinking Fund.

ARTICLE VII

COVENANTS

SECTION 7.01.

The Authority covenants and agrees that it will so conduct its Student Loan Program, that its Revenues derived therefrom together with other moneys from time to time made or to become available to the Authority will be sufficient to:

- (1) pay the interest on the Bonds as the same falls due;
- (2) provide moneys for the payment of the principal of the Bonds;
- (3) establish such reserve as the Authority may deem necessary for the payment of principal and interest of the Bonds; and
- (4) provide for the cost of the operation of its Student Loan Program, including the payments to be made to the Student Loan Corporation, as its agent under the Contract.

SECTION 7.02.

The Authority further agrees

- (1) that it will require the Loan Corporation to comply with the provisions of the Bond Resolution and the covenants made herein;
- (2) that it will require the Loan Corporation to comply at all times and in all respects with the applicable regulations of the Commissioner;

(3) that it will make loans only to Students who shall attend Eligible Institutions;

(4) that it will maintain in full force and effect the Insurance Contract and at all times comply with the provisions of the Insurance Contract;

(5) that it will review, not less frequently than quarterly, its Revenues and the costs and expenses of its Student Loan Program in order to determine if the "spread" between the interest which it must pay on the bonds and the interest and other earnings which it is receiving from Student loans is, in fact, sufficient to provide for the costs and expenses of its Student Loan Program;

(6) that it will report to the General Assembly not later than January 15 of each year any existing or anticipated deficit resulting from its operations;

(7) that it will require the Loan Corporation to act only as its agent and that all notes or other evidences of indebtedness obtained from Students will be payable to the order of the Authority.

ARTICLE VIII

AGREEMENT TO FURNISH INFORMATION

SECTION 8.01.

The Authority recognizes that those who may from time to time own any of the Bonds, will require full information with respect to the Revenues of the Authority and the costs of administering its Student Loan Program. It, therefore, agrees to install and maintain proper records into which complete and correct entries shall be made, showing all Revenues received by the Authority and all costs and expenses incurred by the Authority in the operation of its Student Loan Program.

SECTION 8.02.

The Authority agrees that upon written request by any bondholder, it will advise such bondholder of the amount of its Revenues for the preceding quarter and the costs and expenses of administering its Student Loan Program for such period.

ARTICLE IX

DISPOSITION OF PAID BONDS AND COUPONS

SECTION 9.01.

It shall be the duty of the State Treasurer to cancel all Bonds which shall have been paid, whether upon their maturity or their redemption prior to maturity, all coupons that are paid, and all unmatured coupons paid, all unmatured coupons destroyed as permitted by Section 3.07, and all coupons attached to Bonds which have been redeemed prior to their stated maturities. Such cancellation shall be done in such fashion as to render such Bonds and coupons incapable of further negotiation or hypothecation. Whenever so requested by the Authority, the State Treasurer shall cause the destruction of such Bonds and coupons by cremation.

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ARTICLE X

EVENTS OF DEFAULT AND
CONSEQUENCES OF DEFAULT AND REMEDIES

SECTION 10.1.

Each of the following events is hereby declared an "Event of Default", that is to say, if

(1) Payment of any installment of interest shall not be made when the same becomes due and payable; or

(2) Payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or

(3) The Authority shall fail to observe any covenant herein made relating to the administration and operation of its Student Loan Program; or

(4) The Authority shall for any reason, be rendered incapable of fulfilling its obligations hereunder; or

(5) An order or decree shall be entered, with the consent of acquiescence of the Authority appointing a receiver or receivers of the Authority, or any of its Revenues; or any proceedings shall be instituted with the consent or acquiescence of the Authority and any creditors, or for the purpose of adjusting claims of any creditors, pursuant

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(4) The Authority shall for any reason, be rendered incapable of fulfilling its obligations hereunder; or

(5) An order or decree shall be entered, with the consent of acquiescence of the Authority appointing a receiver or receivers of the Authority, or any of its Revenues; or any proceedings shall be instituted with the consent or acquiescence of the Authority and any creditors, or for the purpose of adjusting claims of any creditors, pursuant

to any Federal or State statute now or hereafter enacted; or if such order of decree having been entered without the consent and acquiescence of the Authority, it shall not be vacated or discharged or stayed on appeal within sixty days after entry thereof; or, if such proceedings, having been instituted with the consent or acquiescence of the Authority, shall not be withdrawn, or any orders entered shall not be vacated, discharged or stayed on appeal, within sixty days after the institution of such proceedings, or the entry of such orders; or

(6) The Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds, or in the Bond Resolution, and such default shall continue for thirty days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the holders of not less than 25% of the principal of the Bonds then outstanding.

SECTION 10.02.

If the Authority shall be in default as to the payment of any installment of principal or interest upon any Bonds, or if it shall be in default as to the performance of any covenant or undertaking made by it, then,

and in every such case, the holders of not less than 50% of the principal of the Bonds then outstanding, may, by notice in writing to the Authority, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, anything in the Bonds, or herein contained to the contrary notwithstanding; Provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon all the Bonds then outstanding, and all other indebtedness secured hereby, except the principal of any Bonds not then due by their terms, and the interest accrued on the Bonds, since the last interest payment date, shall have been paid, or shall have been provided for by deposit with the applicable Paying Agents of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition, or agreement in the Bonds, or herein contained, shall be made good, or provision therefor satisfactory to such bondholders shall have been made, then, and in every such case the holders of not less than 50% in principal amount of the Bonds then outstanding may, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

SECTION 10.03.

Upon the happening and continuance of any event of default as provided in Section 10.01 then, and in every case, any holder of any Bond may proceed, subject to the provisions of Section 10.05, to protect and enforce the rights of all holders of Bonds, by a suit, action or special proceeding in equity, or at law, for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

SECTION 10.04.

In case any proceeding so taken on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to any holder of Bonds, then, and in every such case, the Authority and all bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of all parties shall continue as though no such proceedings had been taken.

SECTION 10.05.

No one, or more, bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein,

or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of all outstanding Bonds.

SECTION 10.06.

No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, or in equity, or by statute.

SECTION 10.07.

No delay or omission of any bondholder to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein; and every power and remedy given by this Article to the bondholders, may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XI

MODIFICATION OF RESOLUTION

SECTION 11.01.

For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing the Bond Resolution may be adopted, which resolution shall be fully effective in accordance with its terms:

(1) To close the Bond Resolution against, or provide limitations and restrictions in addition to the limitation and restrictions contained in the Bond Resolution on the issuance in the future of, additional Bonds.

(2) To add to the covenants and agreements of the Authority in the Bond Resolution, other covenants and agreements thereafter to be observed relative to the operation of its Student Loan Program or relative to the application, custody, use and disposition of the proceeds of any Bonds.

(3) To surrender any right, power or privilege reserved to or conferred upon the Authority by the Bond Resolution.

(4) To cure, correct or remove any ambiguity or inconsistent provisions contained in the Bond Resolution or any Resolution supplemental thereto.

SECTION 11.02.

The rights and duties of the Authority and the bondholders and the terms and provisions of the Bond Resolution may be modified or altered in any respect by a resolution or any resolution supplemental thereto of the Authority with the consent of the holders of seventy-five per centum (75%) in principal amount of the Bonds then outstanding, such consent to be evidenced by an instrument or instruments executed by the holders thereof and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the State Treasurer, but no such modification or alteration shall:

- (1) Extend the maturity of any payment of principal or interest due upon any Bonds;
- (2) Effect a reduction in the amount which the Authority is required to pay by way of principal, interest or redemption premium;
- (3) Effect a change as to the type of currency in which the Authority is obligated to effect the payment of the principal, interest and redemption premiums of any Bonds;
- (4) Permit the creation of any pledge on the Revenues prior to or equal to the pledge made for the Bonds;
- (5) Permit preference or priority of any Bonds to others;

(6) Reduce the percentage of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution provided for by this Section.

SECTION 11.03.

Whenever it shall become necessary to determine whether any number of those who may be the holders of Bonds have taken any action required or permitted by them by any provision of the Bond Resolution, and it shall thus become necessary to determine who shall be the holders of Bonds, the State Treasurer and any person, firm, agency or court required to make the determination shall have, and are hereby granted, the power to make, from time to time, and to vary, such regulations as he or it shall think proper for the deposit of Bonds with, or exhibit of Bonds to, any banks, bankers, trust companies or other depositories, wherever situated, and for the issue by them to the persons depositing or exhibiting such Bonds, of certificates which shall constitute absolute proof of ownership. Registered holders of Bonds duly registered in the names of such holders by the State Treasurer need not deposit or exhibit their Bonds, but reliance may be had upon said registry books to determine who are the registered holders of such Bonds.

ARTICLE XII

DEFEASANCE

SECTION 12.01.

If all Bonds, and coupons representing interest thereon, issued pursuant to the Bond Resolution, shall have been paid and discharged, then the obligations of the Authority under the Bond Resolution, the pledge of revenues made hereby, and all other rights granted hereby shall cease and determine. Bonds, and the coupons thereof, shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz:

(1) The Paying Agents shall hold, at the stated maturities of the Bonds, and coupons, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof; or

(2) If default in the payment of the principal of such Bonds, or the interest thereon shall have occurred on the stated maturities of such Bonds, or coupons, and thereafter tender of such payment shall have been made, and the Paying Agents therefor shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the Authority shall elect to redeem Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give

notice of redemption thereof in the manner prescribed by the Bond Resolution and shall have deposited with the Paying Agents therefor, in an irrevocable trust, the aggregate of all sums to become due on the Bonds to the first available redemption date, by way of principal, interest and redemption premium, if any.

SECTION 12.02.

Any moneys which at any time shall be held by or deposited with any Paying Agent, by or on behalf of the Authority, for the purpose of paying and discharging any Bonds, or coupons, shall be and are hereby assigned, transferred and set over to such Paying Agent in trust for the respective holders of the Bonds and coupons and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the holders of said Bonds or coupons shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of such Paying Agent to forthwith return said funds to the Authority.

SECTION 12.03.

The Authority covenants and agrees that any moneys which it shall deposit with any Paying Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and that whenever

it shall have elected to redeem Bonds it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Paying Agent for such Bonds to cause the publication of such notice of redemption in its name and on its behalf.

ARTICLE XIII

TENOR OF OBLIGATIONS

SECTION 13.01.

Every covenant, undertaking and agreement made on behalf of the Authority as set forth in this Bond Resolution is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the Authority and the holders of the Bonds, and shall be enforceable accordingly.

ARTICLE XIV

SAVING CLAUSE

SECTION 14.01.

If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

ARTICLE XV

RELEALING CLAUSE

SECTION 15.01.

All resolutions, or parts thereof, inconsistent herewith be, and the same are hereby, repealed to the extent of such inconsistencies.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01.

The Resolution has been prepared and is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of the Resolution and all counterparts thereof are to be deemed but one instrument.

STATE OF SOUTH CAROLINA)
)
)

I, P. C. SMITH, Auditor of the State of South Carolina, Secretary to the State Budget and Control Board, and ex-officio Secretary to The State Education Assistance Authority, DO HEREBY CERTIFY:

That the said State Education Assistance Authority (the Authority) is composed of the following:

His Excellency, John C. West, Governor of South Carolina and Chairman of the Board;
The Honorable Grady L. Patterson, Jr., State Treasurer;
The Honorable John Henry Mills, Comptroller General of South Carolina;
The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and
The Honorable F. J. LeMond, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Authority, called to be held in Columbia, South Carolina at _____ A.M., _____, _____, 1974, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

That at said meeting, a resolution, of which the attached is a true, correct and verbatim copy, was introduced by _____, who moved its adoption; said motion was seconded by _____, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

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 said Authority, in my custody as its Secretary.

_____, 1974.

Secretary

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A RESOLUTION

SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF THE STATE EDUCATION ASSISTANCE AUTHORITY AND OTHER MATTERS RELATING THERUNTO," HERETOFORE ADOPTED BY THE STATE EDUCATION ASSISTANCE AUTHORITY BY MAKING PROVISION FOR THE ISSUANCE AND SALE OF FIVE MILLION DOLLARS (\$5,000,000) REVENUE BONDS, SERIES 1974.

BE IT RESOLVED BY THE STATE EDUCATION ASSISTANCE AUTHORITY IN MEETING DULY ASSEMBLED:

ARTICLE I

PROVISIONS AMENDING THE
BOND RESOLUTION

Section 1.01

Section 2.02 of the Bond Resolution is hereby amended by inserting immediately before the definition of "Revenues," an additional definition as follows:

"Revenue Bonds, Series 1974, shall mean the \$5,000,000 Revenue Bonds, Series 1974, of The State Education Assistance Authority, dated November 1, 1974."

The Series 1974 bonds shall constitute the first series of Bonds issued pursuant to the Bond Resolution and the Act.

ARTICLE II

DEFINITIONS

Section 2.01

Certain terms used in this Resolution are defined terms with definitions set forth in Article II of the Bond Resolution, such terms are given initial capitals and whenever such terms

are used, they shall have the meanings given to them in said Article II.

ARTICLE III

FINDINGS OF FACT

Section 3.01

It is found as follows:

(1) Heretofore the Authority adopted the Bond Resolution as a means of providing for the issuance of Bonds.

(2) In and by the Bond Resolution it is expressly provided that all Bonds shall be issued pursuant to a resolution expressed to be supplementary to the Bond Resolution.

(3) No Bonds have heretofore been issued pursuant to the Bond Resolution.

(4) The Authority has now determined to make provision for the issuance of \$5,000,000 Revenue Bonds, Series 1974, for the purpose of raising money for its Student Loan Program, and has found that its Revenues will be sufficient to pay the interest on and principal of such bonds.

(5) On the basis of the foregoing, the Authority adopts this resolution to supplement the Bond Resolution and to make provision for the issuance of FIVE MILLION DOLLARS (\$5,000,000) Revenue Bonds, Series 1974, of The State Education Assistance Authority.

ARTICLE IV

ISSUANCE OF BONDS

Section 4.01

Pursuant to the Act and the Bond Resolution, in order to provide funds for its Student Loan Program, there shall be

issued FIVE MILLION DOLLARS (\$5,000,000) Revenue Bonds, Series 1974, of The State Education Assistance Authority.

Section 4.02

The Revenue Bonds, Series 1974 shall be dated as of November 1, 1974, shall be in the denomination of \$5,000 each, shall be numbered consecutively from 1 to 1,000, inclusive, and shall mature on November 1, 1984.

Section 4.03

The Revenue Bonds, Series 1974, shall bear interest, payable on May 1 and November 1 of each year, beginning May 1, 1975 at the rate of 5-1/2% per annum.

Section 4.04

The Revenue Bonds, Series 1974, shall be subject to redemption at the option of the Authority, in whole, but not in part, on May 1, 1975, and all subsequent interest payment dates, at par, plus accrued interest to the date fixed for redemption.

If the Revenue Bonds, Series 1974 are called for redemption prior to their maturity, notice of redemption, specifying the redemption date, shall be given by the Authority by publication of such notice, at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal printed in the English language and published in the Borough of Manhattan, City of New York, State of New York. Interest on the Revenue Bonds, Series 1974, shall cease to accrue from and after the redemption date

specified in such notice, unless the Authority defaults in making due provision for the payment of the redemption price thereof.

Section 4.05

Both the principal of and interest on the Revenue Bonds, Series 1974, shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Unless registered, payment of both principal and interest shall be made at the office of the State Treasurer of South Carolina, in the City of Columbia, State of South Carolina.

At the written request of any holder, and upon presentation to the State Treasurer of South Carolina, any bond may be registered in the holder's name on the books of the State Treasurer as to principal only, or as to both principal and interest, and such registration noted thereon by the State Treasurer, after which no transfer shall be valid unless made on said books and noted thereon, or, unless in case of registration as to principal only, the last registered transfer so noted shall have been to bearer. Registration as to principal only shall not affect the negotiability of the coupons thereto attached, which shall continue to pass by delivery. If any bond be registered as to principal only, payment of the principal, upon maturity, shall be made to the registered holder upon surrender of the bond to the State Treasurer. In case of registration as to both principal and interest,

all unmatured coupons shall cut off and destroyed by the State Treasurer, and that fact noted thereon by him, and thereafter interest originally evidenced by such surrendered coupons shall be paid by check or draft by the State Treasurer at the times provided therein, to the registered holder of the bond by mail to the address shown on the registration books, and in such case payment of the principal, upon maturity, shall be made to the registered holder upon surrender of the bond to the State Treasurer.

Section 4.06

The Revenue Bonds, Series 1974, shall be in form substantially as set forth in "EXHIBIT A" to this resolution.

ARTICLE V

SALE OF BONDS

Section 5.01

The agreement to sell the Revenue Bonds, Series 1974 to a syndicate of South Carolina Banks headed by The South Carolina National Bank and Bankers Trust of South Carolina, N.A., at par plus accrued interest to the date of the delivery of such bonds is hereby approved and confirmed. The Revenue Bonds, Series 1974 shall be forthwith printed and when printed, executed in the manner prescribed by the Bond Resolution, and thereupon delivered to the purchasers upon payment of the purchase price therefor.

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01

Upon delivery of the Revenue Bonds, Series 1974, the proceeds derived from the sale thereof shall be delivered to the State Treasurer. Any sum received by way of accrued interest shall be deposited in the Sinking Fund. The principal proceeds shall be deposited in the Loan Fund.

ARTICLE VII

MISCELLANEOUS

Section 7.01

This resolution is expressly declared to be supplemental to the Bond Resolution, and the Revenue Bonds, Series 1974, are declared to be a series of Bonds authorized by the Bond Resolution.

Section 7.02

This resolution has been prepared and is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart so executed shall be deemed an original of this resolution and all counterparts thereof are to be deemed but one instrument. It shall take effect immediately.

DONE IN MEETING DULY ASSEMBLED this ___th day of October,
A. D., 1974.

(SEAL)

Chairman, The State Education
Assistance Authority

Attest:

Secretary, The State Education
Assistance Authority

EXHIBIT "A"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE STATE EDUCATION ASSISTANCE AUTHORITY
REVENUE BOND, SERIES OF 1974

No. _____

\$5,000

THE STATE EDUCATION ASSISTANCE AUTHORITY, a body politic and corporate and a public instrumentality of the State of South Carolina (the Authority), hereby acknowledges itself indebted, and for value received, promises to pay to the BEARER, or, if this bond be registered, to the REGISTERED HOLDER hereof, solely from revenues described and pledged to the payment of this bond the principal sum of

FIVE THOUSAND DOLLARS

on the 1st day of November, 1984 (unless this bond shall have been duly called for previous redemption and payment of the redemption price made or provided for), and to pay, solely from said revenues, interest on said principal sum from the date of this bond at the rate of Five and Fifty Hundredths per centum (5.50%) per annum, payable on the first days of May and November of each year, commencing May 1, 1975, upon presentation and surrender of the annexed interest coupons therefor, as such coupons severally mature. Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Unless this bond be registered, payment of both principal

and interest will be made at the office of the State Treasurer of South Carolina, in the City of Columbia, State of South Carolina.

At the written request of the holder, and upon presentation of this bond to the State Treasurer of South Carolina, this bond will be registered in the holder's name on the books of the State Treasurer as to principal only, or as to both principal and interest, and such registration noted hereon by the State Treasurer, after which no transfer of this bond shall be valid unless made on said books and noted hereon, or, unless in case of registration as to principal only, the last registered transfer so noted shall have been to bearer. Registration as to principal only shall not affect the negotiability of the coupons hereto attached, which shall continue to pass by delivery. If this bond be registered as to principal only, payment of the principal of this bond, upon maturity, will be made to the registered holder upon surrender of this bond to the State Treasurer. In case of registration as to both principal and interest, all unmatured coupons will be cut off and destroyed by the State Treasurer, and that fact noted hereon by him, and thereafter interest evidenced by such surrendered coupons will be paid by check or draft by the State Treasurer at the times provided herein, to the registered holder of this bond by mail to the address shown on the registration books, and in such case payment of the principal of this bond, upon maturity, will be made to the registered holder upon surrender of this bond to the State Treasurer.

and interest will be made at the office of the State Treasurer of South Carolina, in the City of Columbia, State of South Carolina.

At the written request of the holder, and upon presentation of this bond to the State Treasurer of South Carolina, this bond will be registered in the holder's name on the books of the State Treasurer as to principal only, or as to both principal and interest, and such registration noted hereon by the State Treasurer, after which no transfer of this bond shall be valid unless made on said books and noted hereon, or, unless in case of registration as to principal only, the last registered transfer so noted shall have been to bearer. Registration as to principal only shall not affect the negotiability of the coupons hereto attached, which shall continue to pass by delivery. If this bond be registered as to principal only, payment of the principal of this bond, upon maturity, will be made to the registered holder upon surrender of this bond to the State Treasurer. In case of registration as to both principal and interest, all unmatured coupons will be cut off and destroyed by the State Treasurer, and that fact noted hereon by him, and thereafter interest evidenced by such surrendered coupons will be paid by check or draft by the State Treasurer at the times provided herein, to the registered holder of this bond by mail to the address shown on the registration books, and in such case payment of the principal of this bond, upon maturity, will be made to the registered holder upon surrender of this bond to the State Treasurer.

THIS BOND is one of an issue of bonds of like date, tenor and effect, except as to number, aggregating FIVE MILLION DOLLARS (\$5,000,000), issued pursuant to resolutions (the Resolution) duly adopted by the Authority, and under and in full compliance with the Constitution and Statutes of the State of South Carolina, including particularly Act No. 433 of the Acts of the General Assembly of the State of South Carolina for the year 1971, for the purpose of providing funds to make student loans to students at eligible institutions in accordance with the terms and provisions of the said Act No. 433.

The bonds of this issue are subject to redemption, at the option of the Authority, as a whole, but not in part, on any interest payment date.

If the bonds are called for redemption prior to their maturity, notice of redemption, specifying the redemption date, must be given by the Authority, by publication at least once, not less than thirty days and not more than sixty days prior to the redemption date, in a financial journal printed in the English language and published in the Borough of Manhattan, City of New York, State of New York. Interest on the bonds shall cease to accrue from and after the redemption date specified in such notice unless the Authority defaults in making due provision for the payment of the redemption price thereof.

Both the principal of and interest on the bonds of this issue are payable solely from, and are equally and ratably

secured by a pledge of, the revenues derived by the Authority from the operation of its Student Loan Program, as more particularly described in detail in Section 9 of said Act 433, which remain after paying the costs and expenses of the operation of the Student Loan Program of the Authority.

The Resolution permits the issuance of additional bonds by the Authority, payable from the revenues pledged to the payment of the bonds of this issue, and such additional bonds, if issued in accordance with the provisions of the Resolution, will rank equally and be on a parity with the bonds of this issue.

The Authority hereby covenants and agrees that it will so conduct its Student Loan Program that the revenues therefrom, together with other revenues that may become available to the Authority, will be sufficient to provide for the payment of the principal of and interest on the bonds of this issue, and all other bonds of the Authority hereafter issued on a parity therewith.

Neither the faith and credit of the State of South Carolina, nor of any of its political subdivisions, are pledged for the payment of either the principal of or interest on the bonds of this issue. No personal responsibility or accountability shall attach to any member of the Authority, or to any person executing this bond, by reason of the execution or issuance hereof.

Upon the happening of any event of default as defined in the Resolution, the principal of all bonds issued pursuant

to the Resolution then outstanding may become, or may be declared forthwith due and payable in the manner and with the effect provided for in the Resolution.

This bond and the interest hereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication of the State Treasurer of South Carolina hereon shall have been duly executed.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this bond, exist, have happened and have been performed in regular and due time, form and manner, and that the amount of this bond, together with all bonds of the issue of which this is one, does not exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, THE STATE EDUCATION ASSISTANCE AUTHORITY has caused this Bond to be signed by the facsimile signature of the Governor of South Carolina, as ex-officio Chairman of the Authority, attested by the manual signature of the Secretary of the Authority, its Official Seal to be

reproduced hereon, the annexed interest coupons to bear the facsimile signatures of said Chairman and said Secretary, and this Bond to be dated the first day of November, A. D., 1974.

THE STATE EDUCATION ASSISTANCE
AUTHORITY

(SEAL)

By _____
Chairman of the Authority

Attest:

Secretary of the Authority

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the issue of bonds described in the Resolution referred to on the face of such Bond.

State Treasurer of South Carolina

(C O U P O N)

(unless the bond hereinafter described be sooner redeemed or its redemption be provided for)

On the first day of
May, 1975*

THE STATE EDUCATION ASSISTANCE AUTHORITY will pay to
BEARER One Hundred Thirty-Seven and 50/100 Dollars \$137.50*,

in any coin or currency of the United States of America which is then legal tender for the payment of public and private debts, upon presentation and surrender of this coupon at the office of the State Treasurer of South Carolina, in the City of Columbia, State of South Carolina, being the interest then due on its REVENUE BOND, SERIES OF 1974, dated the 1st day of November, A. D., 1974.

The faith and credit of the State of South Carolina are not pledged to the payment of this coupon.

Chairman of The State Education Assistance Authority

Secretary of The State Education Assistance Authority

*(Maturity date of coupons to be changed according to maturity schedule)

(PROVISION FOR REGISTRATION TO BE ENDORSED ON BACK OF EACH BOND)

IT IS HEREBY CERTIFIED that upon the written request of the holder of the within bond for its registration as to both principal and interest, I have this day cut off and destroyed all unmatured coupons of said bond being _____ in number, and that the principal and interest of said bond are payable to the registered holder or his legal representative or successor.

Dated _____, 19__

State Treasurer

NO WRITING ON THIS BOND EXCEPT BY THE STATE TREASURER OR HIS DEPUTY

The registration indicated below is to be deemed to be as to principal only, unless the above certificate has been executed by the State Treasurer.

DATE OF REGISTRATION	NAME OF REGISTERED HOLDER	STATE TREASURER

STATE OF SOUTH CAROLINA)
)
)

I, P. C. SMITH, Auditor of the State of South Carolina, Secretary to the State Budget and Control Board, and ex-officio Secretary to The State Education Assistance Authority, DO HEREBY CERTIFY:

That the said State Education Assistance Authority (the Authority) is composed of the following:

- His Excellency, John C. West, Governor of South Carolina and Chairman of the Board;
- The Honorable Grady L. Patterson, Jr., State Treasurer;
- The Honorable John Henry Mills, Comptroller General of South Carolina;
- The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and
- The Honorable F. J. LeaMond, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Authority, called to be held in Columbia, South Carolina at _____ A.M., _____, _____, 1974, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

That at said meeting, a resolution, of which the attached is a true, correct and verbatim copy, was introduced by _____, who moved its adoption; said motion was seconded by _____, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

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 said Authority, in my custody as its Secretary.

_____, 1974.

Secretary

SINKLER GIBBS SIMONS & GUÉRARD

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

2 PRIOLEAU STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

October 25, 1974

P. C. Smith, Esq.
State Auditor
200 Hampton Office Building
Columbia, South Carolina 29211

Dear Pat:

Re: \$5,000,000 State Education Assistance
Authority Revenue Bonds, Series 1974

As you will recall, the Resolutions providing for the issuance of the captioned bonds were adopted at the August 14 meeting of The State Education Assistance Authority. The matter was delayed, but, it now appears that it is ready for closing. In view, however, of the two month delay, it seems to me that the bonds dated September 1 should be dated November 1. This necessitates a redrafting of the Resolutions.

Enclosed you will find an original and six (6) copies of the basic Resolution which is entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF THE STATE EDUCATION ASSISTANCE AUTHORITY, AND OTHER MATTERS RELATING THERETO", and a Supplemental Resolution which is entitled "A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED 'A RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF THE STATE EDUCATION ASSISTANCE AUTHORITY AND OTHER MATTERS RELATING THERETO,' HERETOFORE ADOPTED BY THE STATE EDUCATION ASSISTANCE AUTHORITY BY MAKING PROVISION FOR THE ISSUANCE AND SALE OF FIVE MILLION DOLLARS (\$5,000,000) REVENUE BONDS, SERIES 1974.

Would you please have these adopted at the next meeting of the State Budget and Control Board.

In addition to this action, you should have the Board on a motion from one of its members rescind one of the Resolutions adopted at its August 14 meeting.

If you have any questions, please advise.

Sincerely,

Huges

HS:dn
Enclosures

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cc: Grady L. Patterson, Jr., Esq.

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EXHIBIT VIII
OCT. 29, 1974

November 25, 1974

Dr. R. Archie Ellis, Commissioner
S. C. Department of Social Services
Post Office Box 1520
Columbia, South Carolina 29202

Dear Dr. Ellis:

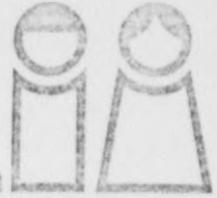
The recent action of the Budget and Control Board approving your contract with Blue Cross was, I am sure, intended to include nursing homes, hospitals and other providers whose records are audited by Blue Cross for the same purpose as auditing would otherwise be performed by your department.

We will modify our records of Board action to the extent necessary to reflect this intent.

Very truly yours,

P. C. Smith
State Auditor

PCS:dr



South Carolina
Department of Social Services

R. Archie Ellis
Commissioner

November 15, 1974

Mr. P. C. Smith
State Auditor
P. O. Box 11333
Columbia, S. C. 29211

Re: Common Audit Agreement

Dear Mr. Smith:

Our request for approval to contract with Blue Cross for a common audit was for nursing homes, hospitals and other providers for whom Medicare and Medicaid have similar programs. As you recall, Mr. Jackson specifically mentioned hospitals in the conversation with the Board.

I trust approval by the Budget and Control Board was for this total concept.

We are proceeding to draft the contract as outlined above. If we need additional approvals please advise.

Cordially yours,

R. Archie Ellis
Commissioner

RAE:jfw



MINUTES OF EDUCATION ASSISTANCE AUTHORITY MEETING

TUESDAY, OCTOBER 29, 1974

The Budget and Control Board met in its capacity of the State Education Assistance Authority on Tuesday, October 29, 1974, with the following members in attendance.

Governor John C. West
Senator Rembert C. Dennis
Mr. Frederick J. LeaMond
Mr. Henry Mills
Mr. Grady L. Patterson, Jr.

Also in attendance were Messrs. P. C. Smith and W. T. Putnam.

On August 14, 1974, the Education Assistance Authority unanimously approved a Resolution for issuing \$5,000,000 of revenue bonds for the purpose of financing a program of assistance for students of institutions of higher learning. This Resolution called for the issuing of these bonds on September 1, 1974, but it was subsequently decided that this issue should be delayed.

Upon the motion of Mr. Patterson, which was seconded by Mr. Mills, the Resolution of August 14, 1974, was rescinded and a new Resolution, authorizing an issue of November 1, 1974, was approved.

A copy of this Resolution has been retained in these files and is identified as Exhibit VII.

There being no further business, the meeting was adjourned.

E N D