

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JANUARY 24, 1977 (1) 4:00 P.M.

The Budget and Control Board met at 4:00 p. m. on January 24, 1977 in the Governor's Conference Room with the following members in attendance:

Governor James B. Edwards
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Mr. F. Julian LeaMond

Also attending were W. T. Putnam and W. A. McInnis.

The following items of business were considered:

STATUS REPORT ON ARTHUR ANDERSEN & COMPANY REVIEW OF DEPARTMENT OF SOCIAL SERVICES ADMINISTRATIVE AND PROGRAM SYSTEMS - Mr. Walter Pettiss, Executive Assistant to Governor Edwards, opened the meeting by stating that the purpose of this portion of the meeting is to update the Budget and Control Board on the current status of the Arthur Andersen & Company review of DSS. Appearing before the Board to present this report were Mr. Don Dixon Arthur Andersen & Company, accompanied by two members of his staff, and Mrs. Lucy Thrower, DSS Board member, and Jill Pylant, DSS Staff Project Coordinator.

Mr. Dixon prefaced his status report by stressing that his firm's efforts had not been aimed at redoing prior studies but, rather, had been focused on trying to help the DSS by working as a part of a Project Steering Committee whose purpose is to overcome the Agency's historical inability to get things done effectively and efficiently. Mr. Dixon noted that, in the course of his firm's involvement, they had found nothing not found in previous studies of the Agency and that they could report no substantive exceptions to prior study conclusions.

Mr. Dixon identified the following four major areas which offer significant need and potential for improvement within DSS: (1) organization;

(2) systems support; (3) fiscal accountability; and (4) training.

With respect to organization, Mr. Dixon described the complex environment within which DSS operates and stated that the organization continues to be characterized by areas of disfunctioning and operational frustration. He outlined a series of recommendations which had been made which were designed to make the existing organization function more effectively. These included the establishment of firm policy on responsibilities of DSS, the County Boards and County offices; the need for a self-study to resolve internal authorities and responsibilities; the need to develop staffing and performance guidelines; the need to develop feedback mechanisms for evaluation and corrective action; and the need to reexamine the organizational structure to optimize performance and service delivery.

With respect to systems support, Mr. Dixon noted the massive clerical, record-keeping and reporting requirements associated with programs administered by DSS which, in his view, can best be met through the use of advanced data processing technology. He observed that many of the Agency's present systems are inadequate, difficult to modify, unresponsive or not sufficiently automated. He further stated that, until the several projects now underway which are intended to cure these ills are completed, operational problems will persist.

On the matter of fiscal accountability, Mr. Dixon indicated that DSS needs to develop sound budgeting and reporting procedures and that efforts are underway to adapt the Mississippi Accounting Control System as a solution.

Mr. Dixon stated that the identification of career paths and position prerequisites are basic to the design of training programs and pointed out a need for core training for basic skills, advanced training to meet specific known requirements and special training to meet extraordinary or temporary requirements.

Mr. Dixon concluded his status review with a summary of the status

of numerous specific projects designed to respond to deficiencies in the areas noted. His firm expects to invest about 70% of the time remaining under their contract on organization projects with the other 30% being devoted to monitoring progress on other projects and assisting individual DSS project managers as needed.

Two memos which summarize and give additional detail on the comments made by Mr. Dixon have been retained in these files and are identified as Exhibit I.

BOND ANTICIPATION NOTE RESOLUTIONS - Upon a motion by Mr. Patterson, seconded by Mr. LeaMond, the Budget and Control Board unanimously approved Resolutions authorizing:

(1) The extension of the following bond anticipation notes which are due January 31, 1977:

\$1,500,000 for Clemson University (Insitution Bonds); and
\$2,000,000 for Medical University (Institution Bonds).

(2) The future issuance of an additional Bond Anticipation Note for \$1,000,000 for the Medical University.

The Resolution pertaining to Clemson University has been retained in these files and is identified as Exhibit II. The Resolution pertaining to the Medical University has been retained in these files and is identified as Exhibit III.

The meeting was adjourned at 5:15 p. m.

EXHIBIT I
1/24/77 (#1)

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES
ADMINISTRATIVE & PROGRAM SYSTEMS REVIEW PROJECT
SUMMARY OF CERTAIN ORGANIZATIONAL RECOMMENDATIONS

NOVEMBER 16, 1976

-The overriding objective of the South Carolina Department of Social Services is to bring specific service programs to the eligible citizens of South Carolina with equity, concern, and responsibility. The number and complexity of these programs has been compounding in recent years. In addition, the entire service delivery system has been subjected to increasing demands beyond the direct control of the DSS Board or DSS itself. These demands result from such external influences as: federal regulations, national and local economic gyrations, conflicting welfare philosophies, and practical politics.

It has been well documented from within and without and confirmed by observation of this study that the current service delivery system does not achieve that level of quality which may be desired and reasonably expected. There also seems to be a general concensus that some action can and should be taken to improve the system and that such action would receive broad support. On the other hand, there does not appear to be a general concensus as to what, specifically, that action should be. In summary, the service delivery environment needs to be re-evaluated and changed - not just isolated forms, procedures, laws, policies or structures. Environmental changes require specific actions, plus direction, commitment and time. The objective of this summary is to suggest a direction for change. The recommendations summarized herein are consistent with this direction.

First, however, a brief overview of the service delivery system and its major components and responsibilities is presented. Attached to this memorandum is a chart depicting the key service delivery components. In simplest terms the service delivery system consists of five functions. The three set forth on the charts are essentially County office operations and responsibilities. These three functions are:

- Intake, eligibility and referral
- Delivery of service and assistance
- Case review

The other two functions are State responsibilities and are not on the charts. These are:

- Support
- Evaluation

The first recommendation addressed in this summary is that the Board should clarify and restate the broad areas of responsibility between County and State to serve as a frame of reference against which all other proposed changes can be measured whether they be structural, procedural, legal or policy. An example of such a restatement might include:

County Responsibilities-

- Serve residents in community
- Comply with laws and policies of proper federal and state agencies as set forth by DSS
- Meet requirements for quality of service
- Exercise fiscal responsibility

State Responsibilities-

- Program support
- Fiscal support
- Program planning
- Data Processing support (clerical and electronic)
- Management information
- Training
- Administrative support

To make this allocation of responsibilities work well it is essential that there be clear understanding and commitment of responsibility at every level. It is incumbent upon the county to perform in spirit as well as to the letter of their responsibilities. On the other hand, it is incumbent upon the State to provide quality support, clear direction and as direct lines of communication as practicable.

Even a cursory review of the total service delivery system will point up the considerable importance of the organizational/political relationship between DSS and the County offices. Resolution of County office responsibility and authority vis-a-vis the State agency is critical to any overall enhancement of the operating environment. Conceptually there are three basic options, which are:

- A State supervised/State administered organization

This structure is successful in a number of states and is most desirable from a responsive organization standpoint.

To pursue this option would require a significant legal change in South Carolina. While this option is desirable and recommended it is questionable that it could ever be realized.

- A State supervised/County administered and supported organization

Relative to the present organization this option implies substantial additional financial participation in various programs. The advantage of this structure is, of course, a more direct relationship between local responsibility for service and the cost of providing it.

This option also would require a significant change in the State Statutes. Again, while this often does have some desirable features it is very questionable that it could ever be realized, particularly since it implies a significant demand for funding from already pressed county budgets with no apparent offsets.

- A State supervised/County administered organization

This is the option currently in place in South Carolina. While it may not be the best option from an operating point of view it is probably the one which will have to be used. Accordingly, the recommendations of this study have assumed this probability and are directed to make this arrangement work well.

The two critical factors in the operation of a State supervised/County administered system are the role and responsibility of the County Board and the role and responsibility of the State Agency. The County Board, as a representative of the community and as an agent of the state, has the responsibility to assure that the County Office is properly fulfilling its role. Specifics of what is expected of the County Board should be spelled out in some detail by the State Board to cement a state/county partnership by minimizing any opportunity for misunderstandings. Such specifics might include:

- Review and approval of county office budget
- Receipt and review of periodic financial reports, program performance reports, audit reports, etc., as may be prepared by the state relative to county operations
- Scheduled reviews with the County Director for purposes of local evaluation of County operations and State support

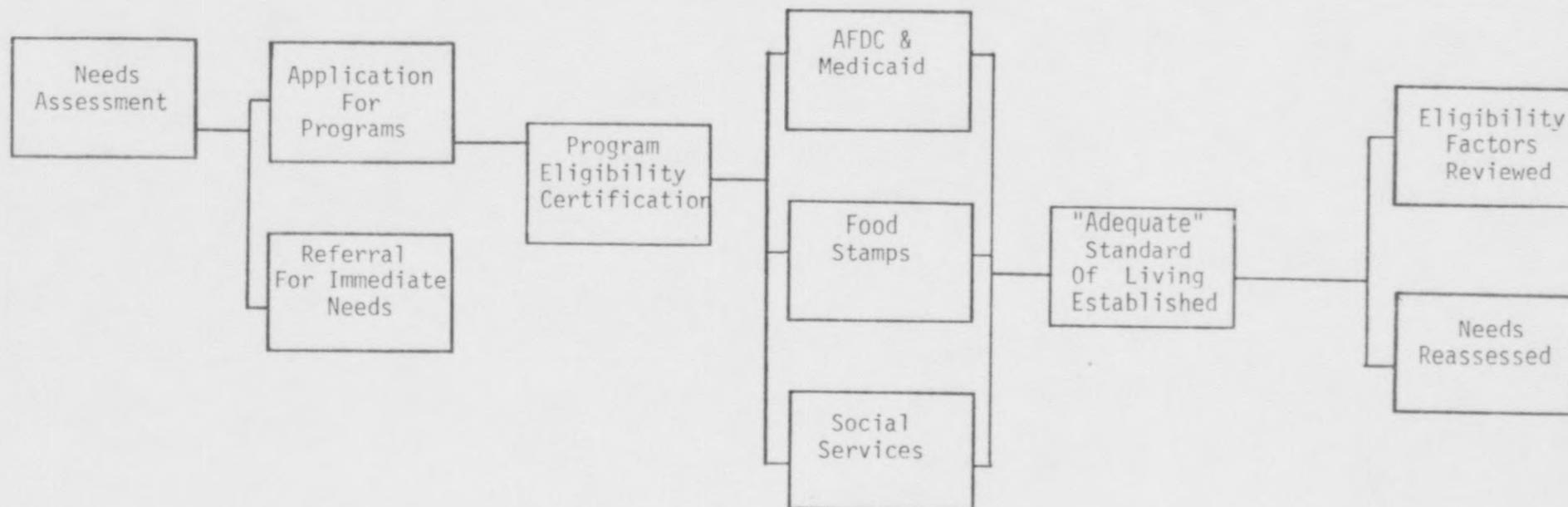
The structure of DSS should recognize the County as the service delivery unit, its local operating autonomy and the inherent responsibility of the local board. Against this philosophical framework the State should address such areas as:

- Program directors and responsiveness
- Training
- Local board support
- Operating and program performance guidelines
- Communication
- Internal organization

PHASE I: CLIENT ENTERS SYSTEM

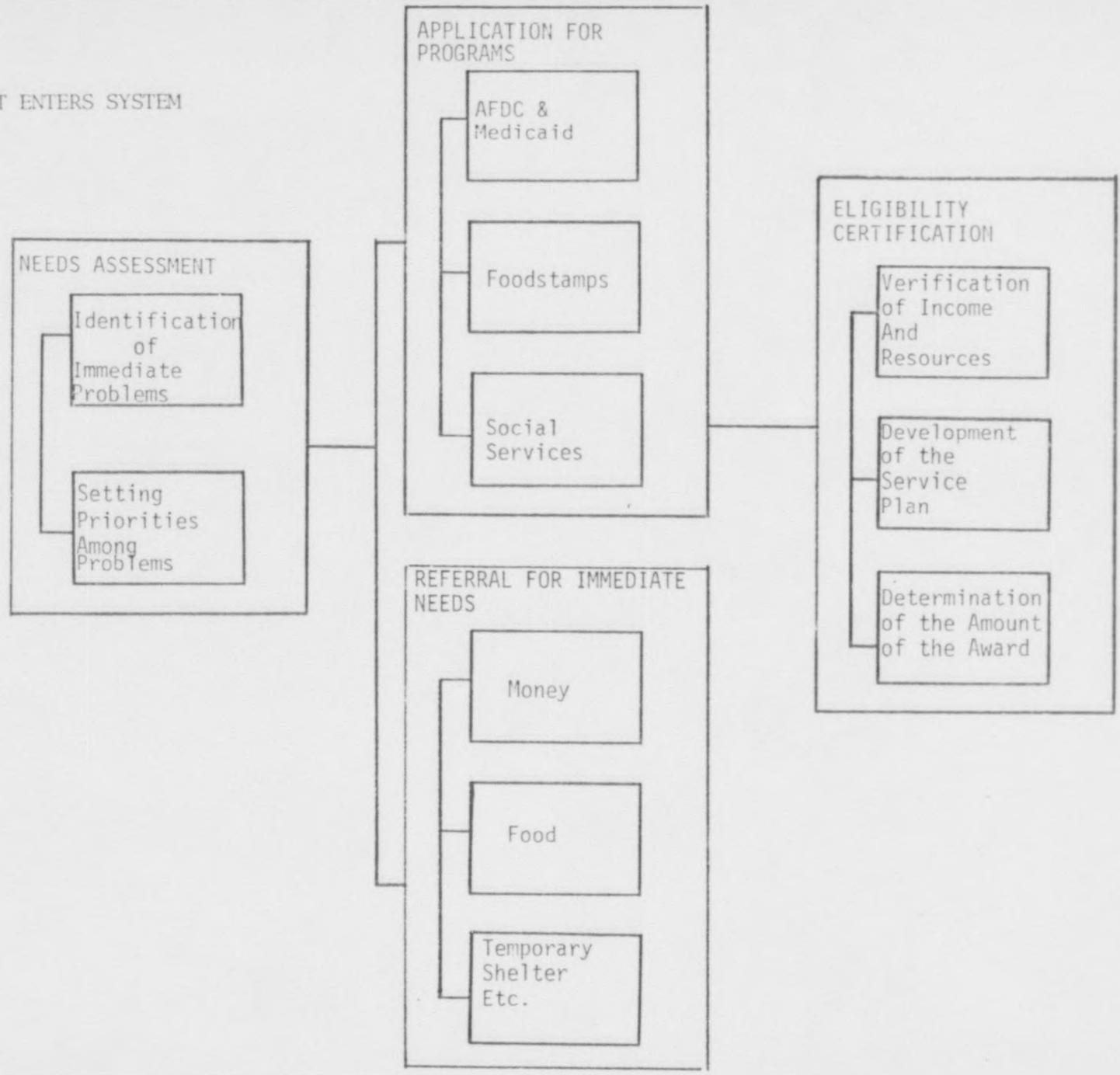
PHASE II: SERVICES & ASSISTANCE INITIATED

PHASE III: CASE REVIEW

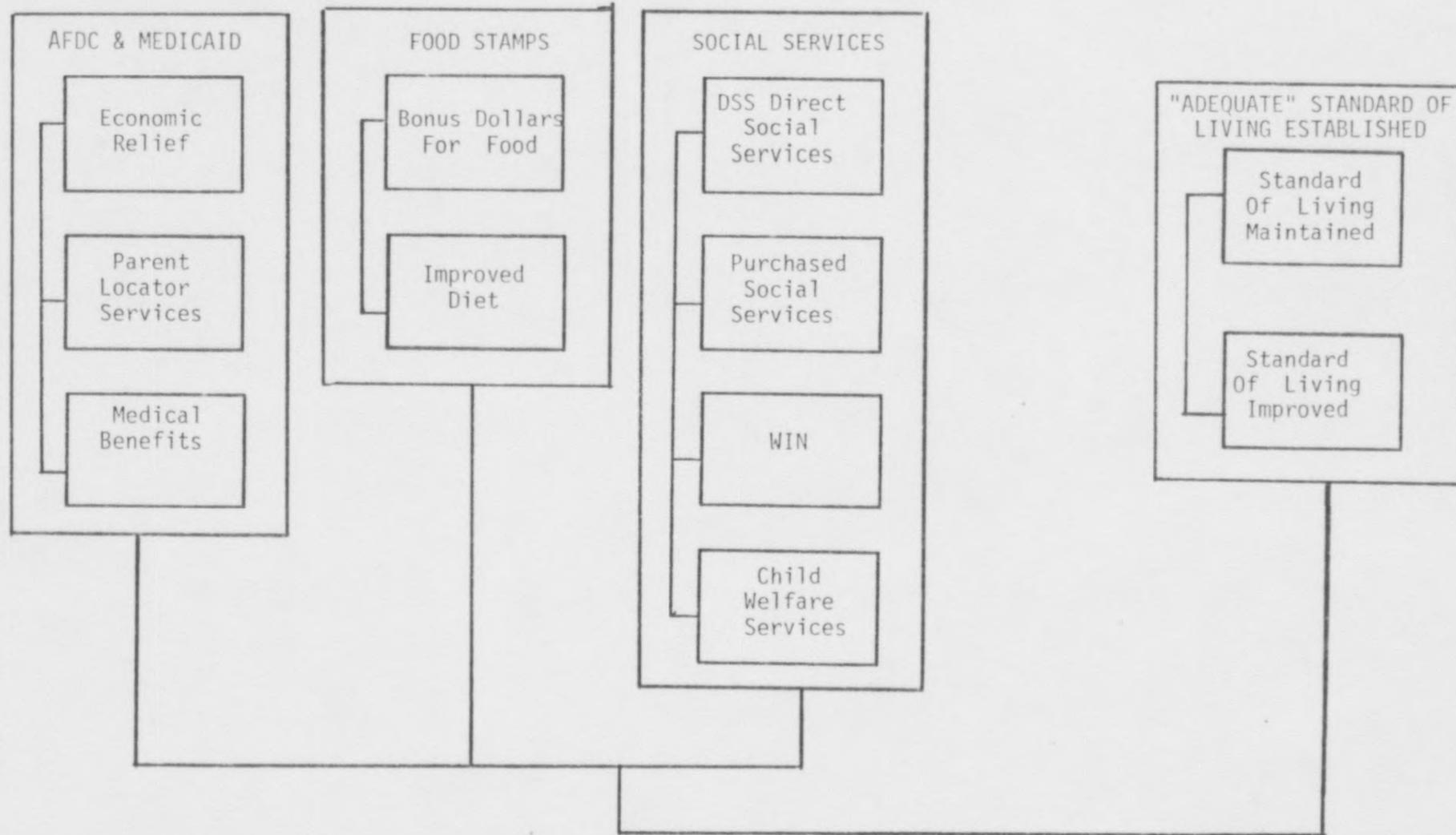


SERVICE DELIVERY SYSTEM

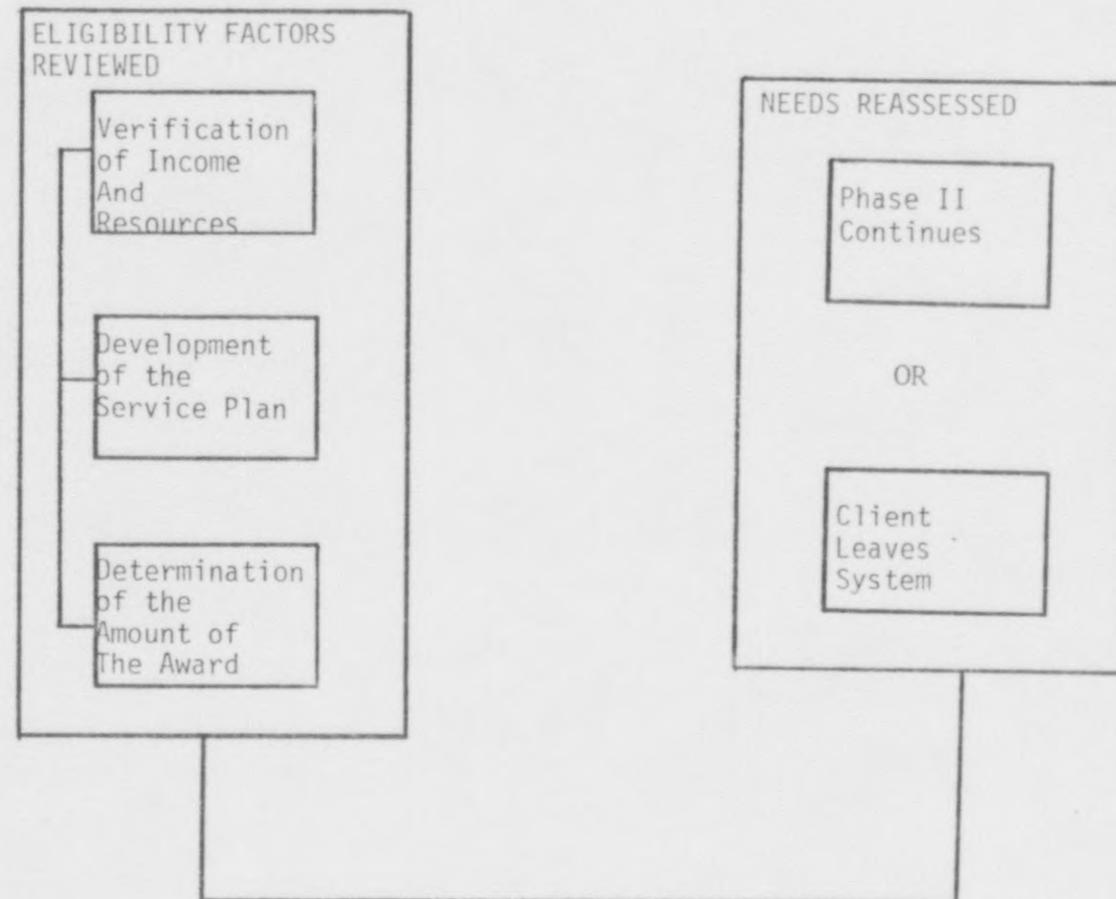
PHASE I CLIENT ENTERS SYSTEM



PHASE II: SERVICE & ASSISTANCE INITIATED



PHASE III CASE REVIEW



SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES

Administrative and Program Systems Review

Memorandum for the File

November 17, 1976

Phase II of the Administrative and Program Systems Review is essentially complete. The objectives of this phase were to:

- Identify and evaluate existing program structures
- Appraise potential for improvement in all structures
- Develop tentative recommendations regarding priorities for improvements
- Determine the impact of present management practices on the entire organization
- Identify those structures of the overall operations which have potential for improvement
- Appraise the potential extent of improvement
- Develop tentative recommendations regarding priorities
- Obtain the benefit of prior efforts
- Correlate prior recommendations and establish current practices
- Provide management with an independent appraisal of potential

The methodology followed for this review was to:

- Review each program area
- Review administrative systems
- Correlate all reviews and identify those areas offering the highest potential for improvement to efficiency, effectiveness and control
- Relate all reviews to prior reports and reconcile differences in potential for improvement identified

This phase of the study has been augmented as planned, by a detailed study of forms and operating procedures by Southern Bell. The Southern Bell study has been coordinated with the APS Review to minimize redundancy and disruption. The Southern Bell report should be forthcoming around the first of the year.

The APS Review has had two overriding objectives. One was to bring current the validity of the 1975 HEW Report entitled Welfare in South Carolina. The second objective was to develop direction for a positive program of improvement to be participated in by Department personnel. In view of the limited resources available for this project, these two objectives were to be addressed in a "top-down" manner.

The Welfare in South Carolina report was analyzed to segregate those recommendations primarily of a welfare philosophy nature and those primarily of an administrative or service delivery nature. The former, being outside the scope of the review, restated in a work plan format were given to DSS management for disposition and follow-up. The latter, also restated in work plan format, were incorporated as part of Phase II of the review. The results of this effort are summarized under separate cover.

The Phase II review has resulted in identifying four major areas offering a significant need and potential for improvement. These are summarized below. Recommendation memos have been prepared on approximately fifty points for specific follow-up. These memos are not, of course, all inclusive, nor do they address comparable levels of substance. They do, however, give insight to the nature and direction of improvement opportunities. The four areas are:

- Organization
- Systems Support
- Fiscal Accountability
- Training

ORGANIZATION

Observations Operation of an organization such as DSS is a complex business directed to the elusive goal of delivery of welfare services in a changing and sensitive environment. This environment includes various federal and state laws and regulations, pragmatic budgetary constraints, personnel considerations, changing priorities, preemptive current concerns and political sensitivity. In the past several years, DSS has undergone a number of organizational changes in an effort to meet its responsibilities. The organization continues to be characterized by areas of disfunctioning and operational frustration.

Recommendations

The study recommendations in this area are predicated on the premise that substantial improvements can be realized through better definition of authorities and responsibilities and evaluation. The key elements of direction are:

- . Establish firm policy on responsibilities of DSS, County Boards and County offices. The thrust here is to encourage a responsible accountable county delivery system with dependable support and evaluation from the State. (See related memo dated 11/16/76).
- . Conduct a self-study to resolve internal authorities and responsibilities.
- . Develop guidelines for staffing and performance.
- . Develop feedback mechanisms for evaluation and corrective action.
- . Reexamine organizational structure in light of above to optimize performance and service delivery.

SYSTEMS SUPPORT

Observations

The programs administered under the direction of DSS have inherent massive clerical, record keeping and reporting requirements. These can best be met through use of advanced data processing technology. At any point in time these requirements encompass three capabilities - present system, operations, and new systems development.

Many of the present service delivery systems are inadequate for current requirements, difficult to modify, unresponsive or not sufficiently automated. A number of projects are underway to cure these ills; however, until such projects are complete, operational problems will continue.

During the course of the APS Review a project was started to move all data processing operations from DSS control to Clemson University. This approach is technically sound and should result in improved service. The upgraded equipment associated with this move should also support the more advanced systems necessary for program support and evaluation.

Responsive and timely systems development is a function of:

- . user participation
- . priority management
- . project management
- . personnel skills
- . design standards

Recommendations-Recommendations in this area address the first three above as being the most critical. They are also interdependent.

Priority management cannot be effectively done without knowledge of objectives, anticipated results and required effort. These cannot be committed to without good project management practices.

Development of a long-range plan is also recommended as a cornerstone for priority setting and resource allocation.

FISCAL ACCOUNTABILITY

Observations - Fiscal accountability undergirds all organizational and program delivery considerations. The Department needs to develop sound budgeting and reporting procedures to support fiscal accountability.

The Department should also furnish budgeting and personnel guidelines as a frame of reference for comparability among budgeted units.

County boards should be charged with responsibility for monitoring fiscal, as well as, program performance within their respective counties.

TRAINING

Observations - Training is essentially a reaction process responding to Quality Control findings, program changes and the like.

Recommendations Recommendations address the desirability of career paths and position prerequisites and developing responsive training programs to meet these needs. This would result in three basic types of training:

- core training for basic skills
- advanced training to meet specific known requirements
- special training to meet extraordinary or temporary requirements

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES
POST OFFICE BOX 1520
COLUMBIA, SOUTH CAROLINA 29202

December 15, 1976

MEMORANDUM NUMBER: 76-126

TO: STATE OFFICE STAFF
DISTRICT OFFICES
COUNTY OFFICES

FROM: The S.C. Board of Social Services and The Commissioner

SUBJECT: THE ADMINISTRATIVE AND PROGRAM SYSTEMS REVIEW CONDUCTED BY
ARTHUR ANDERSEN & CO.

The State Board contracted with Arthur Andersen & Co. on August 2, 1976, to conduct a study of Certain Welfare Programs in South Carolina. The firm began its work on that day.

The first phase of the project was spent interviewing the deputy commissioners, division chiefs and other managers in the State Office. In the second phase, the study went into more depth examining the various programs and the operations of the county and district offices. At the end of this phase the consultants made their recommendations. Phase III of the project is designed to implement these recommendations.

Arthur Andersen presented its recommendations to the Steering Committee on November 18 and 30. There are ten projects and approximately seventeen other recommendations. The Steering Committee approved all projects and all recommendations made except three of the recommendations. Two of the recommendations were deferred and one is under additional study. Two of the projects were brought before the Board for approval because they are related to organizational and policy changes. The Board approved these projects and the attached Resolution at their meeting on December 8, 1976.

December 15, 1976

Page Two

The projects recommended by Arthur Andersen & Co. will be managed by DSS staff selected by the Steering Committee and the Commissioner. These Project Managers will report the progress of their respective projects to the Steering Committee and the Commissioner on a regular basis. The Arthur Andersen firm will have limited involvement in the implementation of the projects. The degree of this involvement will continue to be directed by the Steering Committee and the Commissioner.

The following projects were recommended: State, District/County Communications and Support--a project designed to re-establish good communications with the county offices and make the State Office responsible in a support role; DSS Organization--a project designed to clearly define organizational roles, functions, and responsibilities; Accounting and Financial Reporting System--a project designed to implement an improved financial system; Data Processing Planning and Control--a project which will establish a long range data processing plan and improve the management of data processing; Social Services Program Direction and Management--a project to improve social service delivery, monitoring and staff utilization; Medicaid Controls--a project which will establish control of Medicaid expenditures; Career Path Progression--a project to develop a viable career planning and training program for staff; Central Input and Claims Control--a project to consolidate responsibility for input control and follow up; Forms Improvement and Control--a project designed to reduce paperwork done in the county offices; and Program Systems Enhancements--a project to improve reporting from existing systems. A list of the projects and the Project Managers is attached.

Under separate cover, a copy of the projects and recommendations will be forwarded to each county, district, division and bureau office. If you have any questions or wish further information, you are urged to contact the Project Coordinator, Jill Pylant, at 758-8140.

Cordially yours,

Mrs. T. K. McDonald

Mrs. T. K. McDonald, Chairman
State Board of Social Services

R. Archie Ellis

R. Archie Ellis
Commissioner

TKM/RAE/Ps

Attachments

673

December 8, 1976

A R E S O L U T I O N

Setting Forth the Broad Areas of
Responsibility Between the County
And the State

WHEREAS, the State Board recognizes the respective responsibilities of the State and County in South Carolina's State-supervised/County-administered system need to be clearly defined within the framework of existing statutes; and

WHEREAS, the State Board desires a frame of reference by which all proposed changes can be measured whether they be structural, procedural, legal or policy; and

WHEREAS, the County is the primary service delivery unit and the State is the primary support unit for the counties; and

WHEREAS, the State Board wishes to encourage a responsible, accountable County delivery system with dependable support from the State;

NOW, THEREFORE, the Board confirms the following to be the responsibilities of the County and the State;

COUNTY RESPONSIBILITIES

1. The County is the primary agent in serving the residents in the community.
2. The County meets the requirements for quality of service.
3. The County exercises fiscal responsibility.
4. The County complies with laws and policies of proper federal and state agencies (as set forth by DSS).

STATE RESPONSIBILITIES

1. The State supplies program support through policy formulation, problem resolution, and quality assurance.
2. The State furnishes fiscal support.

3. The State provides program direction through planning.
4. The State provides data processing support (both clerical and electronic).
5. The State supplies management information to aid the County in evaluating its performance.
6. The State provides training to develop the necessary skills for rendering quality service.
7. The State provides administrative support to aid the County in efficient operation.
8. The State performs independent evaluation of quality and compliance and takes such action as may be required to assure that requirements are met.

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES
ADMINISTRATIVE AND PROGRAM SYSTEMS REVIEW PROJECT

<u>PROJECT NAME</u>	<u>PROJECT MANAGER</u>
State, District/County Communications And Support	Mr. George S. Nichols, District Director District IV Office
DNS Organization	Dr. R. Archie Ellis Commissioner
Accounting And Financial Reporting System	Mr. Horace F. Jackson, Deputy Commissioner Bureau of Fiscal Operations
Data Processing Planning And Control	Mr. Herbert A. Martenson, Chief Data Processing Division
Social Services Program Direction And Management	Mr. Thomas S. Barnes, Director Greenville County Office
Medicaid Controls	Dr. Samuel Griswold, Chief Program Analysis Division
Career Path Progression	Mr. William C. Ripley, Jr., Chief Staff Development and Training Division
Central Input And Claims Control	Mr. Charles L. Oswald, Chief Division of Medical Assistance
Forms Improvement And Control	Mr. Robert D. Floyd, Deputy Commissioner Bureau of Support Services
Program System Enhancements	Mrs. Blanche G. McCullough, Deputy Commissioner Bureau of Public and Medical Assistance

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES
ADMINISTRATIVE AND PROGRAM SYSTEMS REVIEW PROJECT

<u>PROJECT NAME</u>	<u>RECOMMENDATION MEMORANDUM #'S</u>	<u>PROJECT OBJECTIVES</u>	<u>APPROV LEVEL</u>
State/County Communications And Support	10, 11, 12, 13, 14, 16, 17, 18, 20, 21, 22, 23, 24, 30, 57	Re-establish good communications with the county offices and make state office responsible in support role. Provide reporting and support to counties.	B
DSS Organization	15	Clearly define organizational roles, functions, and responsibilities.	B
Accounting and Financial Reporting System	5	Implement improved Financial System.	B
Data Processing Planning and Control	3, 19	Establish long range Data Processing plan and improve management of Data Processing.	S
Social Services Program Direction and Management	32, 33, 34, 35, 36, 37, 38, 7	Improve social service delivery, monitoring, and staff utilization.	S
Medicaid Controls	40, 42	Establish control of Medicaid expenditures.	S
Career Path Progression	25	Develop viable career planning and training program.	S
Central Input and Claims Control	27	Consolidate responsibility for input control and follow up.	S
Forms Improvement and Control	43, 44, 45	Reduce paperwork for caseworkers.	S
Program System Enhancements	47, 48, 49, 51	Improve reporting from existing systems.	S

McI

EXHIBIT II
1/24/77 (#1)

11/24/77
SINKLER GIBBS & SIMONS
PROFESSIONAL ASSOCIATION
ATTORNEYS & COUNSELLORS AT LAW
2 PRIOLEAU STREET
CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

January 21, 1977

Honorable William T. Putnam
State Auditor
Post Office Box 11333
Columbia, South Carolina 29211

Re: \$1,500,000 Bond Anticipation Notes of the
State of South Carolina in anticipation of
the issuance of State Institution Bonds for
Clemson University, dated January 31, 1977

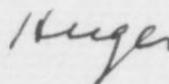
Dear Bill:

I enclose herein an original and eight (8) copies of a Resolution to authorize the refunding of the \$1.5 Million Bond Anticipation Notes heretofore issued for Clemson University and which mature on January 31, 1977. The original is for the records of the Board and the eight copies, when certified, should be returned to me.

Please try to have this Resolution adopted as soon as possible.

With kind regards,

Sincerely,



HS:dn
Enclosures

cc: Honorable Grady L. Patterson, Jr.

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A RESOLUTION
AUTHORIZING THE ISSUANCE OF \$1,500,000 BOND ANTICIPATION
NOTES OF THE STATE OF SOUTH CAROLINA IN ANTICIPATION OF THE
ISSUANCE OF STATE INSTITUTION BONDS OF THE STATE OF SOUTH
CAROLINA FOR CLEMSON UNIVERSITY IN ORDER TO REFUND A LIKE
AMOUNT OF SUCH NOTES MATURING JANUARY 31, 1977.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD
OF THE STATE OF SOUTH CAROLINA:

SECTION 1.

As an incident to the adoption of this Resolution and
the issuance of the Bond Anticipation Notes herein authorized,
the State Budget and Control Board of the State of South
Carolina (the State Board) finds:

1. By the provisions of Chapter 2, Title 22, Code of
Laws of South Carolina, 1962, as amended, (Chapter 2), the
Governor and the State Treasurer of South Carolina, when
requested by the State Board, are duly authorized and empowered
to issue State Institution Bonds of the State of South Carolina
for the purposes set forth in Chapter 2.

For the payment of the principal of and interest on the
bonds issued pursuant to Chapter 2, there are to be pledged
the full faith, credit and taxing power of the State of South
Carolina, and in addition thereto and subject to the limitations
in Chapter 2, all of the tuition fees deposited with the State
Treasurer by the State Institution for which State Institution
Bonds are issued.

SECTION 2.

The constitutionality of Chapter 2 was upheld by an opinion of the Supreme Court of the State of South Carolina in a declaratory judgment suit entitled "Arthur v. Byrnes, 224 SC 51, 71 SE2d 311".

SECTION 3.

Application was heretofore made by Clemson University for the issuance of \$3,300,000 of State Institution Bonds for Clemson University. Such application contemplated that the proceeds of the bonds sought to be issued will be applied to:

- (1) The enlargement and improvement of academic, student activity and service facilities;
- (2) The expansion and improvement of utility systems, walks, drives, and parking areas; and
- (3) The acquisition of additional properties.

Accompanying the application are Exhibits which establish the right of the State Board to issue State Institution Bonds to Clemson University to the extent of \$3,300,000.

SECTION 4.

Heretofore, the State Board authorized and empowered the Governor and State Treasurer to issue Bond Anticipation Notes in the principal amount of \$1,500,000. Such Notes have been twice refunded and the now outstanding Notes mature on January 31, 1977.

SECTION 5.

On the occasion that the State Board last took action with respect to the Bond Anticipation Notes on behalf of Clemson University, it was expected that an issue of State Institution Bonds for several State institutions would be issued prior to January 31, 1977. It now appears unlikely that an issue of State Institution Bonds of sufficient size to warrant the expense of marketing will be issued prior to June 1977 and, accordingly, it is deemed desirable to refund the outstanding Notes.

SECTION 6.

The outstanding Bond Anticipation Notes are held by each of First National Bank of South Carolina, The Citizens and Southern National Bank of South Carolina, The South Carolina National Bank and Bankers Trust of South Carolina. Following informal negotiations by the State Treasurer, it has been agreed that, subject to approval by the State Board, each of these banking institutions will accept, in lieu of payment, a refunding Note of like principal amount, to mature on the 7th day of June, 1977.

SECTION 7.

The State Board is authorized by Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965, as amended (Act 116), to issue Bond

Anticipation Notes in anticipation of receiving the proceeds of the State Institution Bonds hereafter to be issued, and if deemed appropriate, to refund the same.

SECTION 8.

The State Board has made the reviews required by Chapter 2, and has for itself, ascertained the need for the improvements to be acquired with the proceeds of the bonds hereafter to be issued, and has found that a satisfactory and proper schedule of tuition fees is in effect and that the aggregate of tuition fees meets the earnings test prescribed by Chapter 2.

SECTION 9.

Accordingly, it is the purpose of this Resolution to:

(a) Reaffirm the prior approval and to authorize the Governor and the State Treasurer to issue State Institution Bonds of the State of South Carolina for Clemson University in the aggregate principal amount of not exceeding \$3,300,000 and to make immediate provision for the issuance of \$1,500,000 Bond Anticipation Notes to effect payment of the outstanding Bond Anticipation Notes maturing January 31, 1977;

(b) Re-establish the obligation of the State of South Carolina to effect the issuance of such State Institution Bonds to the extent of not exceeding \$3,300,000 for Clemson University;

(c) Authorize the Governor and State Treasurer to effect the issuance of \$1,500,000 Bond Anticipation Notes with which to effect the payment of the outstanding Bond Anticipation Notes; and

(d) Direct the State Treasurer to effect payment of the interest due on the outstanding Bond Anticipation Notes from accumulations of revenues available to retire State Institution Bonds of Clemson University.

SECTION 10.

The authorization previously granted to the Governor and State Treasurer to effect the issuance of Three Million Three Hundred Thousand Dollars (\$3,300,000) State Institution Bonds of Clemson University is reaffirmed.

SECTION 11.

There shall be issued by the State of South Carolina Bond Anticipation Notes of the State of South Carolina, in the aggregate principal amount of \$1,500,000, which shall bear date January 31, 1977 and shall mature on June 7, 1977.

SECTION 12.

The said Notes shall be numbered from 1 to 4, inclusive, shall be in the denomination of \$375,000 each, shall bear interest at a rate agreed to by the State Treasurer and to be determined on such occasion as shall be selected by the State

Treasurer, and shall be payable both as to principal and interest at the office of the State Treasurer in the City of Columbia, South Carolina.

SECTION 13.

The said Notes shall be executed on behalf of the State of South Carolina by the manual signature of the Governor and by the manual signature of the State Treasurer, and the Great Seal of the State of South Carolina shall be impressed thereon, and the same shall be attested by the manual signature of the Secretary of State.

SECTION 14.

The said Notes shall be substantially in the form attached hereto as "EXHIBIT A".

SECTION 15.

For the payment of the principal of and interest on the said Notes, as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged, and in addition thereto, so much of the principal proceeds of the State Institution Bonds authorized by Section 9, infra, as are necessary therefor, are hereby pledged, and the State Treasurer, upon receipt of the proceeds of said State Institution Bonds be, and he is hereby authorized to apply such proceeds to such payment.

SECTION 16.

This Board covenants on behalf of the State of South Carolina that State Institution Bonds of the State of South Carolina shall be issued in an aggregate principal amount sufficient to provide for the retirement of all Bond Anticipation Notes herein authorized to be issued.

SECTION 17.

The said Bond Anticipation Notes shall be forthwith prepared, executed in the manner hereinabove set forth, and thereafter delivered to the purchaser thereof, upon receipt of the proceeds thereof. The said Notes shall be exchanged for the outstanding Notes and thereupon the outstanding Notes shall be duly cancelled.

SECTION 18.

Interest on the outstanding Notes due on January 31, 1977 computed from October 28, 1976 to January 31, 1977 at the rate of 2.9% per annum shall be paid from the accumulation of tuition fees applicable to the retirement of State Institution Bonds issued on behalf of Clemson University.

SECTION 19.

A certified copy of this Resolution shall be transmitted to each of the Governor and the State Treasurer, as a means of authorizing the issuance of said Notes and apprising them of the action taken by this Board as above set forth.

EXHIBIT "A"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
BOND ANTICIPATION NOTE
ISSUED PURSUANT TO ACT NO. 116 OF THE ACTS OF 1965, AS AMENDED
(FOR CLEMSON UNIVERSITY)

No. _____

\$375,000

KNOW ALL MEN BY THESE PRESENTS that the STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to the order of

the sum of

THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$375,000),
at the office of the State Treasurer, in the City of Columbia,
South Carolina, on the 7th day of June, 1977, and to pay
interest on said principal sum from the date hereof, at the
rate of _____% per annum, payable upon the maturity of this
Note.

Both the principal of and interest on this Note 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.

THIS NOTE is one of an issue of Bond Anticipation Notes
of like date and tenor, in the aggregate principal amount of
\$1,500,000, issued by the State of South Carolina, pursuant
to the authorizations of Act No. 116 of the Acts of the

General Assembly of the State of South Carolina for the year 1965, as amended, in anticipation of the proceeds to be derived from the sale of State Institution Bonds of the State of South Carolina for Clemson University to be issued pursuant to the authorizations of Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended. For the payment of the principal of and interest on this Note, the full faith, credit and taxing power of the State of South Carolina are pledged and, in addition, the proceeds to be derived from the sale of bonds in anticipation of which the Note is issued.

THIS NOTE 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.

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, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this Note to be signed by the Governor of South

Carolina and by the State Treasurer of South Carolina, and
the Great Seal of the State to be impressed hereon, attested
by the Secretary of State of South Carolina, and this Note
to be dated the 31st day of January, A. D. 1977.

.(SEAL)

BY _____
Governor

BY _____
State Treasurer

Attest:

Secretary of State

POST OFFICE BOX 340

*See
Please file
with Exhibit II
1/24/77 (#1)*

SINKLER GIBBS & SIMONS
PROFESSIONAL ASSOCIATION
ATTORNEYS & COUNSELLORS AT LAW
2 PRIOLEAU STREET
CHARLESTON, S. C. 29402

TELEPHONE 722-3366
AREA CODE 803

January 27, 1977

Mr. James H. Windham
Assistant Treasurer
Office of the State Treasurer
P. O. Box 11778
Columbia, SC 29211

Re: \$3,000,000 Bond Anticipation Notes of the State of
South Carolina in anticipation of the issuance of
State Institution Bonds for the Medical University
of South Carolina, dated January 31, 1977

and

\$1,500,000 Bond Anticipation Notes of the State of
South Carolina in anticipation of the issuance of
State Institution Bonds for Clemson University,
dated January 31, 1977

Dear Jim:

We are enclosing the Records of Proceedings for the Medical
University and Clemson Bond Anticipation Notes. I will be in
Columbia around 9:00 on Monday morning in order to complete
assembly of the Transcripts and review the materials with you.

There is no letter of instructions with the material inasmuch
as it was not feasible to number the pages without the State
Budget and Control Board Resolutions which Bill McInnis is
holding for us to insert into the Transcripts. Having worked
with these proceedings so many times before you should have little
trouble determining the execution pages.

I will be in the office all day on Friday, January 28 if you
should run into any problems. Should you need to reach me this
weekend my home telephone number is 884-4338.

With warm personal regards,

Sincerely yours,

Bill

M. William Youngblood, Jr.

MWY:jap
Encls.

689

ASL

1/24/77

EXHIBIT III
1/24/77 (#11)

SINKLER GIBBS & SIMONS
PROFESSIONAL ASSOCIATION
ATTORNEYS & COUNSELLORS AT LAW
2 PRIOLEAU STREET
CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366
AREA CODE 803

January 21, 1977

Honorable William T. Putnam
State Auditor
Post Office Box 11333
Columbia, South Carolina 29211

Re: \$3,000,000 Bond Anticipation Notes of the
State of South Carolina in anticipation of
the issuance of State Institution Bonds for
The Medical University of South Carolina,
dated January 31, 1977

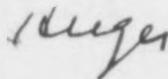
Dear Bill:

I enclose herein an original and eight (8) copies of a Resolution to authorize the refunding of the \$2 Million Bond Anticipation Notes heretofore issued for The Medical University of South Carolina which mature on January 31, 1977 and to provide for an additional \$1 Million for projects which have been approved. The Resolution marked "Original" is for the records of the Board and the eight copies, when certified, should be returned to me.

Please try to have this Resolution adopted as soon as possible.

With kind regards,

Sincerely,



HS:dn
Enclosures

cc: Honorable Grady L. Patterson, Jr.

A RESOLUTION

O
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L
AUTHORIZING THE ISSUANCE OF \$3,000,000 BOND ANTICIPATION NOTES OF THE STATE OF SOUTH CAROLINA IN ANTICIPATION OF THE ISSUANCE OF STATE INSTITUTION BONDS OF THE STATE OF SOUTH CAROLINA FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA IN ORDER TO REFUND TWO MILLION DOLLARS OF SUCH NOTES MATURING JANUARY 31, 1977 AND TO RAISE ADDITIONAL FUNDS FOR PROJECTS PREVIOUSLY APPROVED.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF THE STATE OF SOUTH CAROLINA:

SECTION 1.

As an incident to the adoption of this Resolution and the issuance of the Bond Anticipation Notes herein authorized, the State Budget and Control Board of the State of South Carolina (the State Board) finds:

1. By the provisions of Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended, (Chapter 2), the Governor and the State Treasurer of South Carolina, when requested by the State Board, are duly authorized and empowered to issue State Institution Bonds of the State of South Carolina for the purposes set forth in Chapter 2.

For the payment of the principal of and interest on the bonds issued pursuant to Chapter 2, there are to be pledged the full faith, credit and taxing power of the State of South Carolina, and in addition thereto and subject to the limitations in Chapter 2, all of the tuition fees deposited with the State

Treasurer by the State Institution for which State Institution Bonds are issued.

SECTION 2.

The constitutionality of Chapter 2 was upheld by an opinion of the Supreme Court of the State of South Carolina in a declaratory judgment suit entitled "Arthur v. Byrnes, 224 SC 51, 71 SE2d 311".

SECTION 3.

Application was heretofore made by The Medical University of South Carolina (the Medical University) for the issuance of \$3,850,000 of State Institution Bonds for the Medical University, and pending action with respect to the issuance of such bonds, for a sale of sufficient Bond Anticipation Notes to provide payment for work in progress. Such application contemplated that the proceeds of the bonds sought to be issued will be applied to portions of the costs of:

- (a) Business Services Building;
- (b) Additions to Allied Health Sciences Building;
- (c) Additions to Clinical Sciences Building;
- (d) High Tension Electrical Expansion System; and
- (e) Acquisition of properties known as Castle Pinckney Inn.

Accompanying the application are Exhibits which establish the right of the State Board to issue State Institution Bonds for the Medical University to the extent of \$3,850,000.

SECTION 4.

On the basis of the original application, the State Board authorized and empowered the Governor and State Treasurer to issue Bond Anticipation Notes in the principal amount of \$2,000,000. Such Notes were afterwards issued on September 29, 1976 and were expressed to mature on January 31, 1977.

SECTION 5.

On the occasion that the State Board took action with respect to the Bond Anticipation Notes on behalf of the Medical University, it was expected that an issue of State Institution Bonds for several State institutions would be issued prior to January 31, 1977. It now appears unlikely that an issue of State Institution Bonds of sufficient size to warrant the expense of marketing will be issued prior to June 1977 and, accordingly, it is deemed desirable to refund the Notes issued on May 31, 1977 and to raise an additional \$1 Million to pay for construction work now in progress on the projects enumerated in Section 3 above.

SECTION 6.

The outstanding Bond Anticipation Notes are held by each of First National Bank of South Carolina, The Citizens and Southern National Bank of South Carolina, The South Carolina National Bank and Bankers Trust of South Carolina. Following informal negotiations by the State Treasurer, it has been

agreed that, subject to approval by the State Board, each of these banking institutions will purchase 25% of the \$3 Million of Bond Anticipation Notes herein authorized and thus provide the required funds.

SECTION 7.

The State Board is authorized by Act No. 116 of the Acts of the General Assembly of the State of South Carolina for the year 1965, as amended (Act 116), to issue Bond Anticipation Notes in anticipation of receiving the proceeds of the State Institution Bonds to be issued, and if deemed appropriate, to refund the same.

SECTION 8.

The State Board has made the reviews required by Chapter 2, and has for itself, ascertained the need for the improvements to be acquired with the proceeds of the bonds hereafter to be issued, and has found that a satisfactory and proper schedule of tuition fees is in effect and that the aggregate of tuition fees meets the earnings test prescribed by Chapter 2.

SECTION 9.

Accordingly, it is the purpose of this Resolution to:

(a) Reapprove the application heretofore filed and to authorize the Governor and the State Treasurer to issue

State Institution Bonds of the State of South Carolina for the Medical University in the aggregate principal amount of not exceeding \$3,850,000 and to make immediate provision for the issuance of \$3,000,000 of Bond Anticipation Notes whose proceeds will be used to effect payment of the outstanding Bond Anticipation Notes maturing January 31, 1977 and to provide an additional \$1 Million for the projects approved.

(b) Re-establish the obligation of the State of South Carolina to effect the issuance of such State Institution Bonds to the extent of not exceeding \$3,850,000 for the Medical University;

(c) Authorize the Governor and State Treasurer to effect the issuance of \$3,000,000 Bond Anticipation Notes with which to effect the payment of the outstanding Bond Anticipation Notes; and

(d) Direct the State Treasurer to effect payment of the interest due on the outstanding Bond Anticipation Notes from accumulations of revenues available to retire State Institution Bonds of the Medical University.

SECTION 10.

The authorization previously granted to the Governor and State Treasurer to effect the issuance of Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) State Institution Bonds of the Medical University is reaffirmed.

State Institution Bonds of the State of South Carolina for the Medical University in the aggregate principal amount of not exceeding \$3,850,000 and to make immediate provision for the issuance of \$3,000,000 of Bond Anticipation Notes whose proceeds will be used to effect payment of the outstanding Bond Anticipation Notes maturing January 31, 1977 and to provide an additional \$1 Million for the projects approved.

(b) Re-establish the obligation of the State of South Carolina to effect the issuance of such State Institution Bonds to the extent of not exceeding \$3,850,000 for the Medical University;

(c) Authorize the Governor and State Treasurer to effect the issuance of \$3,000,000 Bond Anticipation Notes with which to effect the payment of the outstanding Bond Anticipation Notes; and

(d) Direct the State Treasurer to effect payment of the interest due on the outstanding Bond Anticipation Notes from accumulations of revenues available to retire State Institution Bonds of the Medical University.

SECTION 10.

The authorization previously granted to the Governor and State Treasurer to effect the issuance of Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) State Institution Bonds of the Medical University is reaffirmed.

SECTION 11.

That there shall be issued by the State of South Carolina Bond Anticipation Notes of the State of South Carolina, in the aggregate principal amount of \$3,000,000, which shall bear date January 31, 1977 and shall mature on June 7, 1977.

SECTION 12.

The said Notes shall be numbered from 1 to 4, inclusive, shall be in the denomination of \$750,000 each, shall bear interest at a rate agreed to by the State Treasurer and to be determined on such occasion as shall be selected by the State Treasurer, and shall be payable both as to principal and interest at the office of the State Treasurer in the City of Columbia, South Carolina.

SECTION 13.

The said Notes shall be executed on behalf of the State of South Carolina by the manual signature of the Governor and by the manual signature of the State Treasurer, and the Great Seal of the State of South Carolina shall be impressed thereon, and the same shall be attested by the manual signature of the Secretary of State.

SECTION 14.

The said Notes shall be substantially in the form attached hereto as "EXHIBIT A".

SECTION 15.

For the payment of the principal of and interest on the said Notes, as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged, and in addition thereto, so much of the principal proceeds of the State Institution Bonds authorized by Section 9, infra, as are necessary therefor, are hereby pledged, and the State Treasurer, upon receipt of the proceeds of said State Institution Bonds be, and he is hereby authorized to apply such proceeds to such payment.

SECTION 16.

This Board covenants on behalf of the State of South Carolina that State Institution Bonds of the State of South Carolina shall be issued in an aggregate principal amount sufficient to provide for the retirement of all Bond Anticipation Notes herein authorized to be issued.

SECTION 17.

The said Bond Anticipation Notes shall be forthwith prepared, executed in the manner hereinabove set forth, and thereafter delivered to the purchaser thereof, upon receipt of the proceeds thereof. The said Notes shall be exchanged for the outstanding Notes and the sum of \$1 Million and thereupon the outstanding Notes shall be duly cancelled.

SECTION 18.

Interest on the outstanding Notes due January 31, 1977 computed from September 29, 1976 to January 31, 1977 at the rate of 2.95% per annum shall be paid from the accumulation of tuition fees applicable to the retirement of State Institution Bonds issued on behalf of the Medical University.

SECTION 19.

A certified copy of this Resolution shall be transmitted to each of the Governor and the State Treasurer, as a means of authorizing the issuance of said Notes and apprising them of the action taken by this Board as above set forth.

EXHIBIT "A"

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
BOND ANTICIPATION NOTE
ISSUED PURSUANT TO ACT NO. 116 OF THE ACTS OF 1965, AS AMENDED
(FOR THE MEDICAL UNIVERSITY OF SOUTH CAROLINA)

No. _____

\$750,000

KNOW ALL MEN BY THESE PRESENTS that the STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to the order of

the sum of

SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000),
at the office of the State Treasurer, in the City of Columbia,
South Carolina, on the 7th day of June, 1977, and to pay
interest on said principal sum from the date hereof, at the
rate of _____% per annum, payable upon the maturity of this
Note.

Both the principal of and interest on this Note 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.

THIS NOTE is one of an issue of Bond Anticipation Notes
of like date and tenor, in the aggregate principal amount of
\$3,000,000, issued by the State of South Carolina, pursuant
to the authorizations of Act No. 116 of the Acts of the

General Assembly of the State of South Carolina for the year 1965, as amended, in anticipation of the proceeds to be derived from the sale of State Institution Bonds of the State of South Carolina for The Medical University of South Carolina to be issued pursuant to the authorizations of Chapter 2, Title 22, Code of Laws of South Carolina, 1962, as amended. For the payment of the principal of and interest on this Note, the full faith, credit and taxing power of the State of South Carolina are pledged and, in addition, the proceeds to be derived from the sale of bonds in anticipation of which the Note is issued.

THIS NOTE 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.

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, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this Note to be signed by the Governor of South Carolina and by the State Treasurer of South Carolina, and the Great Seal of the State to be impressed hereon, attested by the Secretary of State of South Carolina, and this Note to be dated the 31st day of January, A. D. 1977.

(SEAL)

BY _____
Governor

BY _____
State Treasurer

Attest:

Secretary of State

E N D

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JANUARY 24, 1977 (#2)

State Auditor W. T. Putnam polled Budget and Control Board members Mr. Grady L. Patterson, Jr., and Mr. Earle E. Morris, Jr., on January 20, 1977 and Dr. Jack Mullins, State Personnel Division Director, polled Governor James B. Edwards (through Mr. Walter Pettiss) on January 24, 1977 on the following item of business:

TECHNICAL AND COMPREHENSIVE EDUCATION - INTERIM COMPENSATION PLAN FOR FACULTY - The proposed interim compensation plan for faculty of the State Board for Technical and Comprehensive Education was considered but not acted upon by the Budget and Control Board at its December 14, 1976 meeting. A subcommittee of the Board, which included Mr. Patterson, Mr. Morris, Mr. Putnam and Dr. Meredith, was appointed to review the proposed plan and to make recommendations to the Board at a future meeting. The subcommittee's recommendation was included on a supplementary agenda for the January 13, 1977 meeting but it was not considered due to insufficient time.

The Board members polled agreed to approve the Interim Compensation Plan for Faculty Personnel (of the State Board for Technical and Comprehensive Education) as modified by the subcommittee. This approval is on a temporary basis for six months with a review and further recommendations on the Plan to be made at the end of that time period.

A copy of the Plan as modified by the Board subcommittee has been retained in these files and is identified as Exhibit I.

1/6/1977

EXHIBIT I
1/24/77 (#2)

INTERIM COMPENSATION PLAN FOR FACULTY PERSONNEL

SPECIFIC REQUIREMENTS AND OTHER CONSIDERATIONS

1. Teaching and non-teaching faculty members who initially are granted teaching contracts shall be in a probationary employment status. All faculty members who are initially granted less than six-month contracts shall be considered as temporary faculty and are not subject to the provisions of this plan.
2. In addition to the minimum qualifications specified for each Salary Schedule, faculty are required to possess any degrees or other educational and/or professional accomplishments generally accepted as necessary to teach in the subject field, or those stipulated by accrediting or licensing agencies or other regulatory bodies as minimum professional qualifications for faculty in specific programs.
3. Personnel designated as Teaching Faculty shall normally be employed in accordance with the Compensation Plan under the nine months salary range. Additional compensation may be paid for teaching or other duties performed during any period beyond the basic nine-month employment period. Such compensation is based on the weekly equivalent (1/39th) of the full time rate for the previous academic year, prorated or adjusted to reflect actual services rendered, part-time or full-time, for the period of additional employment. Personnel designated as non-teaching faculty shall normally be employed in accordance with the Compensation Plan under the twelve-month salary range, and shall be exempt from the requirements of post-secondary teaching experience.
4. A minimum of three (3) quarters (two semesters) and a maximum of four (4) quarters (three semesters) of full-time teaching shall be considered as one year of creditable teaching experience provided that it was in, or related to, the subject field or job assignment for which the applicant is being considered. Part-time creditable teaching experience shall be equated to full-time teaching experience on a pro-rata basis. The relevancy of the teaching experience to the position for which the applicant is being considered is the most important criteria, whether it be secondary or post-secondary teaching experience.
5. All TEC institutions shall be guided by the applicable standards for faculty as promulgated by accrediting agencies, such as the Southern Association of Colleges and Schools. Other guidelines pertaining to faculty qualifications are established by professional groups, such as the Engineer's Council for Professional Development, Nursing Associations, etc.
 - (a) A creditable Diploma, granted by a post-secondary institution, will be counted as one or two years of post-secondary education, depending upon the required length of the program;
 - (b) A creditable Associate Degree will be counted as two years of post-secondary education;

- (c) A creditable Bachelor's Degree will be counted as four years of post-secondary education;
- (d) A creditable Master's Degree will be counted as five years of post-secondary education;
- (e) A creditable Specialist's Degree will be counted as six years of post-secondary education; and
- (f) A creditable Doctor's Degree will be counted as seven years of post-secondary education.

Only the single highest creditable degree held will be allowed in determining post-secondary education. Not more than one year of work experience and/or teaching experience or combination thereof may be allowed within any twelve-month period.

6. Twelve calendar months of full-time employment shall be considered as one year of creditable work experience providing that it was in, or related to, the subject field or job assignment for which the applicant is being considered. Part-time creditable work experience shall be equated to full-time work experience on a pro-rata basis. Military work experience may be just as creditable in certain fields of endeavor as civilian experience. The criteria should be the occupational value of the work experience and its relevancy to the position for which the applicant is being considered. Creditable work experience, over a period of years, should indicate that it was progressively more complex or of increasing responsibility.
7. Any individual currently earning above the range for his qualifications shall be frozen at his current rate of pay and may not receive an increase in pay unless the range for his qualifications is increased or unless he is promoted to a higher salary schedule. This individual may remain above maximum for a period not to exceed two years. At the end of this period, his salary will be adjusted to the maximum of his salary schedule.
8. Department Heads and Division Chairmen are designated as teaching faculty. To provide the necessary time for the administrative duties and responsibilities that are assigned these individuals by the institution, Department Heads and Division Chairmen may be authorized a reduction in their teaching loads at the discretion of the President/Director of the institution. Department Heads may be paid additional compensation up to \$30 per month and Division Chairmen may be paid additional compensation up to \$50 per month in recognition of their responsibilities and duties, at the discretion of the President/Director.
9. Deans of Instruction, Deans of Student Affairs, Deans of Continuing Education, Chairmen or Directors of Learning Resource Centers and Librarians are designated as non-teaching faculty. Other professional personnel whose principal work is in close support of the overall educational effort of the institution may be designated as non-teaching faculty upon approval of the Budget and Control Board. (It is understood that in the fiscal year 1976/77 any adjustments in salary resulting from this paragraph will be limited to the 4% cost of living increase that has been authorized).

10. All individuals employed after the implementation of this Compensation Plan for Faculty Personnel shall normally be appointed at the minimum of the salary range for the appropriate salary schedule. The Area Commission, at its discretion, may employ faculty above the minimum of the appropriate salary schedule based upon the qualifications of the individual and/or the supply and demand factor of the particular position.
11. In the employment of faculty personnel, the supply and demand factors are of considerable significance to the State TEC System and are especially critical in such areas as the skilled trades and crafts, allied health, and certain technologies. When individual circumstances warrant such action, exceptions in the minimum qualifications and/or salary ranges may be made with complete justification to and prior approval of the State Board.
12. Faculty are considered for pay increases on an annual basis. The effective date of any increases other than legislated increases will be September 1 of each year. Salary increases must be supported by an annual evaluation that will encompass performance as an educator, progress in professional development, and performance in other assigned duties. The total dollar amount of the funds used to grant increases to faculty may not exceed the budgetary provisions or limitations established each year for that purpose.
13. Advancement from one salary schedule to another will be based on five (5) factors: (1) the individual faculty member must meet the minimum qualifications for the new schedule; (2) the individual faculty member must perform all teaching and other assignments in a manner satisfactory to the institutional chief executive officer; (3) the individual faculty member must have participated in a manner acceptable to the institutional chief executive officer in the state and institutional in-service development programs for faculty and staff; (4) the advance from one salary schedule to another must be recommended by the chief executive officer of the institution and approved by the Area Commission, and (5) salary levels five (5) and six (6) shall normally be reserved for those faculty members who have demonstrated a continuing outstanding performance in assigned duties and have completed an approved staff development plan.
14. Determination of initial placement of all persons within the Compensation Plan for Faculty Personnel is the responsibility of the Area Commission upon recommendation of the institutional chief executive officer. All personnel actions are reviewed by the Central Office staff and any personnel actions on which concurrence is not achieved are referred to the Personnel Committee of the State Board for Technical and Comprehensive Education.
15. Sick leave for full-time teaching and non-teaching faculty will be administered in accordance with the provisions of Article I. D. 3 of the Personnel Policies and Procedures Manual.

Leave for non-teaching faculty will be administered in accordance with the annual leave procedures set forth for classified personnel in Article II. C. of the Personnel Policies and Procedures Manual.

Teaching faculty do not accrue annual leave. Full-time teaching faculty employed under nine (9) month (39 weeks) contracts will divide their time as follows:

33 weeks.....Three (3), eleven (11) week academic quarters of classroom instruction

2 weeks.....For preliminary school work, in-service training, post-quarter duties, etc.

4 weeks.....Non-work days (20 days)
39 weeks

Full-time teaching faculty employed under twelve (12) month (52 weeks) contracts will divide their time as follows:

44 weeks.....Four (4), eleven (11) week academic quarters of classroom instruction

3 weeks.....For preliminary school work, in-service training, post-quarter duties, etc.

5 weeks.....Non-work days (25)
52 weeks

Full-time faculty who are employed for more than nine months (39 weeks), but less than twelve months (52 weeks), shall have the non-work days specified for the nine months schedule.

For full-time teaching faculty, emergency absences while school is in session, such as attendance at a funeral due to death in the immediate family, may be taken as a non-work day at the discretion of the President/Director.

Sick leave records shall be maintained for teaching faculty.

- 16. Teaching faculty shall normally be assigned teaching loads in accordance with the following guide: 15 to 28 contact hours per week or 25 to 37, clinical hours per week for full-time teaching faculty, with the institution defining "clinical hours" as appropriate for their local conditions. The numerical averages of these loading ranges are not to be considered as so-called "normal loads" since so many variables, such as number of preparations, subject matter, repetitive courses, size of class, supervision needed for shop and laboratory situations, time of day, etc. must be considered at the institutional level in the administration of loading.

The basis upon which additional compensation (over-load pay) may be made to full-time teaching faculty members will be determined by the full-load criteria established by the institution for each full-time teaching faculty member, when all the variables that enter into each individual's teaching assignments are considered. A teaching faculty member's loading for all the academic quarters of the school year for which he/she is under contract must be considered prior to the approval of additional compensation.

Teaching faculty should only be requested to teach in excess of a full-load when a particular course has to be taught and other qualified faculty members who are not carrying a full-load and/or qualified part-time teachers are not available. Assignment of teaching loads in excess of full-load should never be done for the sole purpose of increasing a faculty member's income. It must be recognized that "full-load" implies a limiting teaching load and exceeding this limit could detract from the quality of instruction.

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

COMPENSATION PLAN FOR FACULTY PERSONNEL

Effective July 1, 1975 - (Amended 11-10-1976)

708

Salary Schedule	Salary Ranges		Minimum Qualifications
	Nine Months	Twelve Months	
1	Going Rate	N/A	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 2 years. Appointments at this level are temporary for a period of 1 academic year (9 months) and may be renewed once provided there is satisfactory showing that requirements for Salary Schedule 2 will be met within 2 years of initial employment.
2	\$ 8,320 to \$11,550	\$10,660 to \$14,795	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 4 years.
3	\$ 9,360 to \$13,200	\$11,960 to \$16,885	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 8 years. In addition, there must be at least 2 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the President/Director.
4	\$10,920 to \$15,400	\$13,988 to \$19,690	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 12 years. In addition, there must be at least 3 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the President/Director.
5	\$13,000 to \$17,600	\$16,640 to \$22,550	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 16 years. In addition, there must be at least 5 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the President/Director.*
6	\$15,080 to \$19,800	\$19,292 to \$25,355	Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 20 years. In addition, there must be at least 7 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the President/Director.*

*See No. 13 of Specific Requirements and Other Considerations.

E N D