

MINUTES OF BUDGET AND CONTROL BOARD MEETING

OCTOBER 15 1975

After holding hearings on October 15, 1975, the Budget and Control Board met at 5:00 p. m. in the Conference Room of the Bank Control Board with the following members in attendance.

Governor James B. Edwards
Mr. Grady L. Patterson
Mr. Henry Mills
Senator Rembert C. Dennis
Mr. F. Julian Leamond

Also in attendance were Messrs. P. C. Smith and W. T. Putnam along with other members of the budget staff of the State Auditor's office.

Mr. Smith reported that the subcommittee of the Budget and Control Board which was appointed by Governor Edwards during the meeting of October 14, 1975, had met with the Board of Economic Advisors and had agreed that the revenue from general tax sources for the fiscal year 1975-76 should be officially revised from \$960,656,000 to \$940,656,000. He also reported that, at the request of Board members, he had developed facts and figures for a possible reduction of State expenditures of the current fiscal year.

Mr. Smith furnished Board members with a brochure which revealed that the revised fiscal picture would produce a deficit of \$40,357,000 at the end of the fiscal year 1975-76. He reported that reductions of expenditures in the amount of \$27,500,000 could probably be effected in the non-recurring appropriations category and that \$26,400,000 could probably be cut from general appropriations. These cuts would provide a net savings of \$53,900,000 and would probably leave a surplus of \$13,543,000 at the beginning of the fiscal year 1976-77.

In the brochure, Mr. Smith furnished schedules showing various sources from which the funds might be obtained. He also indicated that if no reductions were made in the salaries of State employees or teachers

and none were made in certain other categories such as Debt Service, his proposal would probably call for a reduction of approximately ten percent of the balance still remaining in agency appropriations as of the beginning of the second quarter of the current fiscal year.

Board members unanimously approved a motion by Mr. Patterson, seconded by Senator Dennis, authorizing the reduction of appropriations for the fiscal year 1975-76 by approximately \$53,900,000 and directing Mr. Smith to proceed to formulate plans for the reduction of appropriated items, both non-recurring and current.

It was agreed that a meeting should be called of all agency heads to explain the position of the Budget and Control Board and the reasons behind its decision to reduce expenditures.

Mr. Smith further advised that the reduction of appropriations could more easily be accomplished if certain of the various accounts might be consolidated. Board members, therefore, unanimously approved a motion by Senator Dennis, seconded by Mr. LeaMond, authorizing the Comptroller General and the Treasurer to consolidate appropriated accounts as might be deemed necessary to facilitate the reduction of appropriations.

Board members also agreed that the partial freeze on the filling of vacancies should be strengthened. They, therefore, unanimously approved a motion by Mr. Patterson, seconded by Mr. LeaMond, requiring that all requests for the filling of personnel vacancies be presented to the Budget and Control Board.

Data pertaining to Mr. Smith's presentation has been retained in these files and is identified as Exhibit I.

There being no further business, the meeting was adjourned at 5:45 p. m.

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EXHIBIT I
OCT. 15, 1995

GENERAL OPERATING FUNDS

(000 Omitted)

	<u>1975-76</u>			<u>1976-77</u>
	<u>Original</u>	<u>Change</u>	<u>Revised</u>	
<u>Brought Forward from Prior Year</u>				
Unencumbered Surplus	41 456	- 20 348	21 108	13 543
For Continued Appropriations	<u>20 116</u>		<u>20 116</u>	-
	<u>61 572</u>	<u>- 20 348</u>	<u>41 224</u>	<u>13 543</u>
<u>Revenue</u>				
General Tax Sources	960 656	- 20 000	940 656	1 055 000
Revenue Sharing (Federal)	29 585		29 585	15 000
Debt Service Transfers	19 423		19 423	18 500
Loan Repayments	<u>900</u>		<u>900</u>	<u>900</u>
	<u>1 010 564</u>	<u>- 20 000</u>	<u>990 564</u>	<u>1 089 400</u>
Total Available	<u>1 072 136</u>	<u>- 40 348</u>	<u>1 031 788</u>	<u>1 102 943</u>
<u>Appropriations</u>				
Forward from Prior Year	20 116		20 116	-
Current Appropriations	<u>1 052 029</u>		<u>1 052 029</u>	<u>1 089 400</u>
	<u>1 072 145</u>		<u>1 072 145</u>	<u>1 089 400</u>
Balance	<u>- 9</u>	<u>- 40 348</u>	<u>- 40 357</u>	<u>13 543</u>

Proposed Reductions

Non-Recurring Appropriations
Current Appropriations

27 500

26 400

53 900

Balance - Revised

13 543

UNEXPENDED APPROPRIATIONS FOR NON-RECURRING PURPOSES
As of September 30, 1975

(000 Omitted)

Revenue Sharing ("Windfall")	20 885
Surplus Appropriations (1973)	
- Non-Recurring Purposes	2 678
- Operating Purposes	5 620
Other Accumulated Balances	<u>1 662</u>
	30 845
Housing Bond Reserve	<u>10 000</u>
	<u>40 845</u>

Proposed Reduction	-	<u>27 500</u>
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REVENUE SHARING ("WINDFALL")

CAPITAL OUTLAY AND NON-RECURRING

Balances September 30, 1975

	<u>Original Appropriation 1973-74</u>	<u>Balance</u>
<u>University of South Carolina</u>		
Construction and Equipment - New Auditorium	8,400,000.00	5,400,000.00
<u>Clemson University</u>		
Construction and Equipment - Education Center	6,000,000.00	6,000,000.00
<u>Deaf and Blind School</u>		
Construction and Equipment - New Infirmary	650,000.00	299,489.73
Construction and Equipment - Education Facility	2,750,000.00	2,686,602.40
<u>Department of Mental Health</u>		
Construction and Equipment - Regional Treatment Centers	6,000,000.00	6,000,000.00
<u>Department of Corrections</u>		
Facilities Expansion	3,763,000.00	<u>499,318.34</u>
Total		<u>20,885,410.47</u>

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SURPLUS APPROPRIATIONS (1973)

CAPITAL OUTLAY AND NON-RECURRING

Balance September 30, 1975

	<u>Balance</u>
<u>Judicial Department</u>	
Recording Equipment	17,850.36
<u>Adjutant General</u>	
Armory Repairs and Improvements	524.73
<u>Governor's Office (SLED)</u>	
Laboratory Equipment	18,182.43
Armory Supplies	25,116.81
<u>State College</u>	
Reindexing Library Books	45,000.00
Microfilming Records	10,000.00
<u>Department of Archives and History</u>	
Memorial - S. C. Medal of Honor Recipients	5,000.00
<u>Department of Corrections</u>	
Facilities Relocation and Expansion	714,920.32
<u>Parks, Recreation and Tourism</u>	
Operations and Equipment - Piedmont Park	23,778.07
Utility Repairs - State Parks	482,839.48
Acquisition - Exchange Building	750,000.00
Acquisition of Historical Sites, Museums and Improvements	36,553.92
Improvements - Camp Croft	69,452.29
<u>Aeronautics Commission</u>	
Florence Airport Runway Improvements	18,681.26
<u>Department of Mental Health</u>	
Construction of Alcohol and Drug Addiction Center	<u>459,738.00</u>
Total	<u>2,677,637.67</u>

SURPLUS APPROPRIATIONS (1973)

FOR GENERAL OPERATIONS

Balances September 30, 1975

	<u>Balance</u>
<u>Medical University</u>	
Statewide Family Practice Program	2,000,000.00
<u>Department of Education</u>	
Extended School Year Program	25,925.28
Equipment and Facilities for Education of Handicapped Children	7,047.10
Equipment and Facilities for Education of Handicapped Children	451,536.65
<u>Health and Environmental Control</u>	
Health Care Extension Program	2,990,387.79
<u>Department of Social Services</u>	
Operation of Day Care Centers	54,467.17
Social Services	78,961.50
<u>Land Resources Conservation Commission</u>	25.74
<u>Miscellaneous</u>	
Historical Research - House Membership	<u>11,679.06</u>
Total	<u>5,620,030.29</u>

FROM GENERAL APPROPRIATION ACTS

CAPITAL OUTLAY AND NON-RECURRING

Balances September 30, 1975

	<u>Balance</u>
<u>Adjutant General</u>	
Greenville Armory	50.08
Laurens Armory	292.44
Warrenville Armory	7,214.99
<u>Clemson (PSA)</u>	
Reconstruct Incinerator (Pontiac)	75,000.00
<u>Wildlife Resources Department</u>	
Construction of Lake	22,012.00
<u>Parks, Recreation and Tourism</u>	
Cheraw State Park - Facilities Renovations	614.53
King's Mountain Park Improvements	32,212.51
Greenwood State Park Improvements	32,500.00
Camp Croft - Stables	49,559.00
<u>Aeronautics Commission</u>	
Airport Development - Various	252,958.53
Repairs to Airports - Various	84,548.48
Airport Development	930,295.06
<u>Miscellaneous</u>	
Highway Department - Moving Road at Deaf and Blind School	<u>175,000.00</u>
Total	<u>1,662,257.62</u>

REDUCTION OF CURRENT APPROPRIATIONS (1975-76)
(000 Omitted)

Appropriations		1 052 029
<u>Less: Appropriations not Subject</u> to Reduction:		
Salaries - Employees	350 000	
- Teachers	220 000	
Debt Service	40 000	
Other	<u>80 000</u>	
		<u>700 000</u>
Balance		352 029
Less 1/4		<u>88 029</u>
Balance to Absorb Reduction		<u><u>264 000</u></u>

Proposed Reduction - 10%	<u><u>26 400</u></u>
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26,400 = 2.51% of 1,052,029

APPROPRIATIONS - 1976-77

(000 Omitted)

Projected Maximum Available		1 089 400
Appropriations, 1975-76 -	1 052 029	
Less: Proposed Reductions	<u>26 400</u>	
		<u>1 025 629</u>
Difference (6.2% of 1,025,629)		<u><u>63 771</u></u>

5% for Employees and Teachers	- 29 000
Other Increases	- <u>34 771</u>
	<u><u>63 771</u></u>

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