

INTERNAL STAFF UPDATE*

Wednesday, September 2, 2015

- Legal;
 - Cabinet;
 - Legislative.
-

Legal:

DSS Class Action Lawsuit – The DSS class action defense team met today to discuss a counter proposal to the Plaintiff's Proposal for Interim Relief. The defense team intends to provide a counter to this proposal by Friday of this week to include agreeing for DSS to conduct a workload study, to perform a needs assessment for number of additional foster homes needed in our state, to formulate an immediate plan to remove very young children from congregate care in South Carolina, and to allow the monitors to be involved only to the extent of monitoring these limited provisions. The defense team has an in-person mediation scheduled with the federal mediator, Judge Michael Duffy, and the Plaintiffs in Charleston on September 23 and 24 to continue negotiations of the full Proposed Settlement Agreement.

Cabinet:

Department of Revenue – Director Reames provided an update today on DOR's new tax processing system. An outdated in-house system was replaced with an off-the-shelf product currently in use in 18 other states. This action results in increased security, efficiency, and customer service, and should save the state between \$30-40M over the next decade. This massive technology project is on-time and under-budget. Director Reames also provided updates on a number of other initiatives. In the last year, DOR has:

- Privatized the processing of paper tax returns, enabling the Agency to provide better and more efficient service - while saving an estimated \$2M over the next 10 years.
- Developed new procedures for key functions, including Property Tax Exemption and Certificates of Tax Compliance requests – slashing the processing and turnaround times from averages of 3-5 weeks to 3-5 days.
- Streamlined the Governmental Enterprise Accounts Receivable (GEAR) and Setoff Debt Programs (programs that collect debts for other agencies and local governments) by (1) reducing bureaucratic paperwork, (2) reducing the fees charged to participants, and (3) revamping marketing and customer service. The Governor's leadership and these actions have resulted in a 40% increase in enrollees.

**This document is a transitory and temporary record created for short-term internal purposes that includes informal materials that do not record decisions.*

- Significantly increased taxpayer education and public awareness – the Agency has issued 20 administrative policy documents in the last 12 months, compared with just 13 in the prior 42 months under the previous two Directors. These documents reduce confusion over complicated government requirements, resolve ambiguities in the law, and make it easier for taxpayers to comply.
- Implemented Agency Disaster Recovery and Business Continuity plans to ensure recovery of data and/or continuation of operations in the case of a catastrophic event. Plans include remote facilities and connectivity at secure locations separate from existing DOR offices.

Department of Administration – Austin and Veldran met yesterday with Director Adams and representatives from CBRE for an update on the state’s real estate strategic plan. The plan will be complete on October 8 and ready for an October public event with the Governor. The roll out will coincide with the listing of the first wave of surplus properties. Nearly 70% of state property is in Richland and Lexington counties, so legislative outreach will focus on those delegations. SEE ATTACHED FOR CBRE MEMO.

Legislative:

PDAP – Becca is meeting with Rep. Henderson tomorrow to discuss potential legislation recommended by the PDAP Council.

Planned Parenthood – Josh and Veldran are meeting with Rep. Donna Hicks next Wednesday to discuss Planned Parenthood.

CON – There is a Senate Medical Affairs Subcommittee next Wednesday to discuss H.3250, the Certificate of Need bill.

Capital Bond Study Committee – Our office received a memo from Peeler regarding appointments to the Capital Bond Study Committee. SEE ATTACHED FOR PEELER MEMO.

Iran Deal – Following TX Governor Abbot’s letter to the Texas Delegation asking the members to vote against the Iran nuclear deal, Rep. Alan Clemmons sent a message to Veldran saying, “Please encourage Gov. Haley to do likewise. Thank you!”

Special House Oversight of SC’s Colleges and Universities – Mid-September, a special House Committee will begin examining governance structures for higher education around the nation to determine the best coordinating structure to oversee South Carolina's thirty-three public colleges and universities. Representative Bill Taylor will chair the ad-hoc committee. They will discuss proposed legislation, H.3249, which calls for the **creation of a Board of Regents**, similar to those in Georgia and other states, and will hear from national experts, CHE, SC Technical College System, and higher ed presidents in South Carolina.

Ad-Hoc Committee Members:

1. Rep. Bill Taylor
2. Rep. Jeff Johnson
3. Rep. Ray Felder
4. Rep. Robert Brown
5. Rep. Gary Clary
6. Rep. Wayne George
7. Rep. Harold Mitchell
8. Rep. Jeff Bradley
9. Rep. Don Wells

Special House Education Policy Review and Reform Task Force – The Educator Recruitment, Retention, Effectiveness and Professional Development Subcommittee met today. The Subcommittee will hold one more meeting to formulate their recommendations to be presented to the full Task Force.

- **Janice Poda** with the Education Workforce for the Council of Chief State School Officers gave recommendations focused on improving district and teacher accountability to serve as best practices in hiring and recruiting teachers across the state.
 - The Task Force should implement: hybrid roles for teachers (teacher/mentor), teaching teams so that teachers feel supported throughout their career, professional development and incentives for advancement in certifications, and technology improvement and training for teachers where they must demonstrate proficiency and utilize technology in their lesson plans.
 - Technology will be a crucial component in providing certain districts with qualified teachers in special high-need subject areas. Currently, no state is producing the necessary number of physics, math, and special education teachers and quality of life concerns in some districts for newly graduated teachers make online teaching/classroom facilitators an avenue to explore.
- **Jane Turner** with CERRA testified that (1) fewer individuals are entering the field and (2) teachers are not staying in the field for as long (leaving the field after their first year or within 5 years) are among the top reasons for turnover issues in districts.
 - Current programs offered by CERRA to ramp up recruitment and combat turnover include:
 - (1) “Soft Sell” programs, such as ProTeam, directed at Middle Schoolers to positively expose them to the profession;
 - (2) Teacher Cadet Programs and other Homegrown Teacher initiatives focused on recruiting students in a community and encouraging them to return after graduation.
 - (3) Teaching Fellow program- currently has an 85% success rate of teachers remaining in the field after teaching the required 4 years to pay back their loans.

(4) Mentoring Training – (targeted at first year teachers) CERRA will be launching new mentoring training this month that has been approved by the Department of Education.

- Concerns raised by Rep. Hayes and Loftis include making sure that Districts give mentors adequate time (additional planning periods) and compensation (Ex. stipends given to teacher-coaches).
- Rural Teacher Initiative:
 - Under the budget proviso, see below, CERRA is charged with creating the Rural Teacher Recruiting Incentive Program.
 - 20 districts have been identified as qualifying districts, 17 of those are Plaintiff Districts.
 - Subcommittee members would like to explore options to include all of the Plaintiff Districts as eligible districts – concern about proper reporting from the districts over the last 5 years that may not reflect the turnover.
 - CERRA will be hosting a meeting on October 1 with superintendents from each of the qualifying districts for input on moving forward.

Note: A documentary will be released soon called “Raising Bertie” – it follows three young men over five years in Bertie County, a small African American-led farming community in North Carolina. It examines the issues facing America’s rural youth and the repercussions of an underfunded rural public school system. It highlights how rural education is the next frontier in American school reform - *One-in-four students attend school in a rural community and two out of every five of these students live in poverty. In spite of this, the national education reform movement has focused primarily on the needs of low-income urban students.* (www.raisingbertie.com)

###



CBRE

FOR MORE INFORMATION, PLEASE CONTACT:

BEN BRANTLEY
T : 803.744.6855
BEN.BRANTLEY@CBRE.COM

LEE ANN KORST
T : 850.251.9319
LEEANN.KORST@CBRE.COM

STRATEGIC PLAN OBJECTIVES

- Right Size the State's Portfolio
- Consolidate and Standardize Operations
- Portfolio Maximization

Right Size the State's Portfolio

Adjust State's process for disposition of Surplus Properties

- Establish a reasonable, market driven asking price
- Give Department of Administration authority to accept a contract based on the current market conditions

Sell underutilized properties

- Return properties to the tax roll
- Reduced exposure to maintenance and liability costs

Sell inefficient facilities

- Buildings that have high deferred maintenance
- Buildings with operating costs are significantly above reasonable ranges

Capture proceeds from surplus property sales and cost avoidance to:

- Implement new space standards/workplace solutions
- Perform deferred maintenance on core assets

Explore alternative but proven real estate strategies

- Build to Suits/Public Private Partnerships
- Analyze long term leased assets for possible purchase
- Relocate/consolidate agencies to accomplish objectives

Consolidate and Standardize Operations

- Centralize all Real Estate functions under Department of Administration
- Create a standardized chart of account to accurately track expenses to industry norms
- Realize economies of scale through the procurement process (take advantage of purchasing power of the state)

Portfolio Performance Maximization

- Utilize Financial Analysis Tool for informed decision making
- Analyze Lease vs Purchase conditions to identify and obtain the lowest occupancy costs for Agencies
- Use private sector partners to provide training and tools to State employees
- Evaluate outsourcing opportunities

**This document is a transitory and temporary record created for short-term internal purposes that includes informal materials that do not record decisions.*

HARVEY S. PEELER, JR.

SENATOR, CHEROKEE, SPARTANBURG,
UNION AND YORK COUNTIES
SENATORIAL DISTRICT NO. 14

HOME ADDRESS:

POST OFFICE BOX 742
GAFFNEY, SC 29342



COMMITTEES

MEDICAL AFFAIRS, CHAIRMAN
STATE HOUSE, CHAIRMAN
EDUCATION
ETHICS
FINANCE
INTERSTATE COOPERATION
TRANSPORTATION

SENATE ADDRESS:

P. O. BOX 142
213 GRESSETT SENATE OFFICE BUILDING
COLUMBIA, SC 29202
PHONE: (803) 212-6430
FAX: (803) 212-6289
E-MAIL: SMEDICOMM@SCSENATE.GOV

MEMORANDUM

TO: Governor Nikki Haley
Sen. Hugh Leatherman
Sen. Nikki Setzler
Rep. Brian White
Rep. Bruce Bannister
Rep. Todd Rutherford

FROM: Sen. Harvey S. Peeler, Jr.

SUBJECT: Capital Bond Study Committee - proviso 117.133

DATE: September 2, 2015

Pursuant to the authority granted the Senate Majority Leader under Proviso 117.133 of the 2015-2016 Appropriations Act, I am hereby appointing myself to serve on the Capital Bond Study Committee.

We have received communication from Sen. Leatherman of his appointee - Sen. Thomas Alexander. I look forward to hearing of other appointees in the very near future. A copy of the proviso is attached for your information.

Thank you!

cc: Sen. Thomas Alexander

117.133. (GP: Capital Bond Study Committee) Notwithstanding any other provision of law, (A) from the funds appropriated to the Senate, the House of Representatives and the Governor's Office, there is established a Capital Bond Study Committee. The committee shall be composed of:

(1) three members of the Senate, one member appointed by the Chairman of the Senate Finance Committee, one member appointed by the Majority Leader and one member appointed by the Minority Leader;

(2) three members of the House of Representatives, one member appointed by the Chairman of the House Ways and Means Committee, one member appointed by the Majority Leader and one member appointed by the Minority Leader; and

(3) three members appointed by the Governor.

All appointments shall be made not later than July 15, 2015. The committee must be staffed by the staff of the Senate, the House of Representatives and the Governor's Office. Members of the committee shall receive mileage, subsistence and per diem at the rate provided by law. The committee may elect a chairperson and other appropriate officers from its membership. The committee shall begin meeting as soon as possible to accomplish the goals set forth in this paragraph.

(B) The committee shall study the capital needs of the state's higher education institutions, including the technical college system. The study shall include, but is not limited to:

(1) capital improvement plans of higher education institutions;

(2) long term capital bond needs;

(3) bond capacity and debt service;

(4) other related subjects that may serve to inform the General Assembly and the Governor as determined by the committee; and

(5) the merits, necessity and projected costs of each of the capital improvement plans and projects it studies and prepare recommendations addressing the priority of the projects for future funding.

(C) The committee may solicit information from any person or entity it deems relevant to its study. The committee must make a report of its findings and recommendations, including proposed legislation, to the Joint Bond Review Committee by December 31, 2015, at which time the study committee shall be dissolved.