

MINUTES OF
Budget and
Control Board
Meeting

December 17, 1982
10:30 am.

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

December 20, 1982

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Secretary *WAM*

SUBJECT: Summary of Board Actions at December 17, 1982 Meetings

The following is a summary of actions taken by the Budget and Control Board at the meetings held on December 17, 1982:

1. Met in executive session with the Board of Corrections to discuss legal matters;
2. Approved the minutes of meetings held on November 3 and November 24, 1982;
3. Approved an Aiken County proposal to issue approximately \$1,000,000 Industrial Revenue Bonds on behalf of the United Services, Inc., project, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results;
4. Approved the following county proposals to issue industrial revenue bonds:
(a) Lexington County, \$382,500 on behalf of Morningside Associates project;
and (b) Richland County, \$525,000 on behalf of Carter-Miot Engineering Co., Inc., project;
5. Received as information a State Engineer report that the following permanent improvement projects have been reviewed by the Joint Bond Review Committee and released by staff: (a) on Summary 9-83: Employment Security Commission, item 9; (b) on Summary 11-83: Mental Retardation, items 10E, 10F, and 10G; (c) on Summary 15-83: Mental Retardation, items 6B and 6C; (d) on Summary 18-83: Mental Retardation, items 4A, 4B, 4C, and 4D; (e) on Summary 20-83: Mental Retardation, items 1A, 1B, 1C, and 1D; Adjutant General, items 2A, 2C, 2D, and 2F; USC Columbia, items 3A, 3B, and 3C; Francis Marion College, item 4; Clemson University, item 5; Technical and Comprehensive Education: item 6A and 6B; Criminal Justice Academy, items 7A, 7B, 7C, and 7D; (f) on Summary 21-83: Clemson University, items 1A, 1B and 1C; College of Charleston, item 2; Technical and Comprehensive Education (Greenville TEC), item 3; Mental Retardation, items 4A and 4B; Criminal Justice Academy, item 5; Department of Corrections, items 6A and 6B; USC-Coastal, items 7A and 7B; and (g) on Summary 22-83, Francis Marion College, item 1;

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6. Approved a right-of-way easement to the East Richland County Public Service District for the purpose of constructing and maintaining a discharge pipe in the Congaree River approximately 3.5 miles south of Columbia, as approved by the Attorney General's Office;
7. Received as information a State Auditor computation of the annual limitation on the number of State employees which showed that the 1983-84 state employees FTE limitation is 40,352.31 and that an allowable growth in 1983-84 within that limitation would be 5,497.23 FTE positions and which indicated that the new full-time equivalent positions recommended by the Board for 1983-84 total 125.01;
8. Received as information Local Government Division reports for October and November, 1982, and ratified the approvals previously given to the \$150,000 grant to the Beaufort-Jasper Water Authority and the \$300,000 grant to the Spartanburg Sanitary Sewer District;
9. Received as information a State Personnel Division report on new hires and employment trends during the fiscal year;
10. Received as information the activity report of the Division of State Fire Marshal for the month of November, 1982;
11. Received as information reports on payments of interviewee travel expenses made by the Department of Mental Health and the College of Charleston;
12. Received from Comptroller General Morris copies of the 1982 annual report of the Comptroller which includes financial statements presenting the financial position and the results of operations of the State for 1981-82;
13. Witnessed the presentation by Governor Riley and Assistant Director Randy Halfacre of a \$250 cash award to Mrs. Julie Rotureau, an employee of the Division of General Services, for her suggestion pertaining to an address change for State buildings which resulted in those buildings being considered within the Columbia city limits with the result that water, sewer and fire services will cost the State approximately \$1,000 less per year (this was the first award given under the Board's Employee Suggestion Program);
14. By a vote of three to two, authorized the Department of Corrections to use certain of the facilities located at State Park Health Center for housing aged, handicapped, and mentally retarded inmates and inmates with medically-related problems during the first year of use by that Department with the understanding that details associated with this authorization are to be worked out with the Budget and Control Board by the Department of Corrections;

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15. Adopted as the revised forecast of 1982-83 general fund revenue the figure of \$1,912,000,000 and the figure of \$2,066,000,000 for 1983-84, upon the recommendation of the Board of Economic Advisors, and approved the conceptual plan presented by staff for reducing the 1982-83 budget by \$59,500,000 which included the following proposed reductions: \$20,881,868 from public education (mandate five days school closing); \$4,573,329 aid to subdivisions; \$2,000,000 debt service; \$20,607,462 personal service and employer contributions (with \$11,578,055 represented by a required five days of furlough for all State employees; with \$4,646,617 represented by recapturing unobligated salary budgets; and with \$4,382,790 represented by the transfer to the general fund of "other funds" for furlough savings); specific reductions listed on Schedule I amounting to \$1,639,000; one-time off budget reductions shown on Schedule II for a total of \$9,647,765; \$291,000 from the legislative branch; \$98,885 from the judicial branch arising from the recommended five days of furlough for all classified/unclassified personnel; and admonished the staff to advise the agencies of their responsibilities in this budget reduction effort as soon as possible;

16. Was advised that the Whitten Center reduction-in-force review committee would not present a progress report at this meeting and carried over its consideration of that issue;

17. Granted an exemption from the provisions of the Consolidated Procurement Code to Francis Marion College for purchases of office and other supply items from the College Bookstore by departments of the College, on the condition that the sales of such supplies to other departments of the College under this exemption not exceed 5% of total bookstore sales or \$30,000, whichever is less, in any fiscal year, and, further, on the condition that this exemption be effective for the same two-year period for which Francis Marion College is certified by the Board to make purchases above \$2,500, as recommended by the Division of General Services in accord with the requirements of Procurement Code Section 11-35-710;

18. Approved a Clemson University request to reduce the amount of funds remitted as tuition fees, after it was advised by the Attorney General's Office of its view that it is legally proper for the Clemson University Board of Trustees to impose and the Budget and Control Board to approve tuition fees based upon a schedule producing only funds to meet principal and interest requirements when the Board determines that an appropriate reserve exists; and that the surplus in the debt service account for Clemson University's institution bonds may properly be transferred to other capital improvement uses such as construction of the new chemistry building; and that Clemson University is not required to issue the \$2,000,000 in State Institution Bonds authorized by the proviso to Section 4 of Act 179 of 1981 before applying surplus debt service funds as well as general obligation bond funds to the construction of the chemistry building;

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19. Approved the following adjustments to the full-time equivalent positions base, upon the recommendation of the Joint Legislative Committee on Personal Service Financing and Budgeting: (a) increase Attorney General's Office by 6 State FTE positions; (b) Division of Research and Statistical Services, reduction of 3 FTE positions (2 State, 1 other) for transfer to Water Resources Commission; (c) Water Resources Commission, increase 3 FTE positions (2 State, 1 other); (d) Coastal Council, shift of source of funds on 4 FTE positions from federal to State; (e) Board of Financial Institutions (Consumer Finance), increase of 1 State FTE; (f) Board of Accountancy, increase of 0.40 State FTE positions; (g) Board of Pharmacy, increase of 0.25 State FTE positions; and (h) Highways and Public Transportation, increase of 17 other FTE positions;

20. Adopted a resolution authorizing the issuance of not exceeding \$27,000,000 Hospital Facilities Revenue Bonds by the Medical University;

21. Approved a request by Commissioner McGowan of the Department of Labor for permission to expend State-appropriated funds only for a period not to exceed 30 days to provide for the continuation of the Occupational Safety and Health Program until an appropriation act or a new continuing resolution is adopted at the federal level and advised the Joint Appropriations Review Committee of this action so that it might review this request as is required by Section 133 of the 1982-83 Appropriations Act;

22. Adopted a statement indicating that employees demoted as a result of a reduction-in-force or other personnel action shall be treated the same as those receiving downward reclassifications or pay adjustments effective as of July 1, 1982;

23. Heard a report by Personnel Division Director Mullins on reductions-in-force accomplished during the September 1 - November 17, 1982 period which showed that 68.1% of the total number of employees involved in reductions-in-force in that period had been placed elsewhere or had retired or had declined employment assistance leaving 31.9% of those involved available for employment; and agreed to expand the number of classes an individual's name would appear in on reduction-in-force lists from one class to four classes for which the individual is qualified;

24. Approved the exemption of professional artists utilized by the South Carolina Arts Commission from the requirements of the Consolidated Procurement Code in accordance with the provisions of Section 11-35-710, upon the recommendation of the Division of General Services;

25. Approved a request by the Medical University to trade in an Irex System Sector Scanner Echocardiogram, with a value in excess of \$25,000, toward the purchase of an Irex System III B Real Time Phasey Array Sector Scan, upon the recommendation of the Division of General Services;

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26. Approved the following purchases and lease/purchases: (a) Division of General Services, purchase of a DASD subsystem (2-3880 III, 3-3380-A4, 2-3380-B4) from IBM at a purchase price of \$640,030 with 60 monthly payments of \$13,717.14 at an interest rate of 10.375%, Southern National Leasing Corporation, financier; (b) Division of General Services, lease/purchase of four modems from IBM at a cost of \$28,300, interest rate 10.375%, with 60 monthly payments of \$606.75, Southern National Leasing Corporation, financier; (c) Greenville Technical College, lease/purchase of computer equipment from Digital Equipment Corporation under the State TEC-NET contract, total cost \$25,160 at an interest rate of 10.375% with 36 monthly payments of \$816.44, Southern National Leasing Corporation, financier; (d) Midlands Technical College (Airport and Beltline Campuses), lease/purchase of high resolution color monitors from E&O Systems Limited, \$37,365 at an interest rate of 10.375% with 60 monthly payments of \$801.10, Southern National Leasing Corporation, financier; (e) Midlands Technical College, Beltline Campus, VAX 11/780 computer system at a cost of \$435,001.68 at an interest rate of 10.375% with 60 monthly payments of \$9,326.43, Southern National Leasing Corporation, financier; (f) Midlands Technical College, Airport Campus, lease/purchase of VAX 11/730 computer system at a price of \$108,474.03 at an interest rate of 10.375% with 60 monthly payments of \$2,325.68, Southern National Leasing Corporation, financier;

27. Adopted a resolution authorizing the execution of a quit claim deed dated November 10, 1982, on its behalf by the President of the South Carolina School for the Deaf and the Blind thereby enabling that School to be the charitable beneficiary of approximately \$800 from the sale of Lot 48, Tract 4753, Lucerene Vista, San Bernadino County, California;

28. Carried over requests by the Wildlife and Marine Resources Department and the Department of Mental Health for permission to transfer certain funds;

29. Postponed consideration of a request by the Mayor of the Town of Fort Mill for help in raising \$3,500 to assist in financing the travel of the State champion Fort Mill High School Cheerleaders to a national competition to be held in Denver, Colorado;

30. Agreed to hold its next regular meeting at 10:00 A. M. on Tuesday, January 11, 1982, in the Governor's conference room in the State House;

31. After receiving legal advice on the State's responsibilities relating to the reactivation of the L-reactor at the Savannah River Plant by the U. S. Department of Energy, adopted the recommendation of the Executive Task Force previously named to examine this matter and requested that the Attorney General review the matter and report back to the Budget and Control Board appropriate action to assure protection of South Carolina's natural, human, and cultural resources and the integrity of the State's governmental and regulatory processes;

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32. Approved an exchange of properties on a dollar for dollar basis proposed by the Department of Parks, Recreation and Tourism and involving State properties in and nearby Santee State Park;

33. After receiving legal advice on the matter, agreed by a vote of four to one not to rescind its previous action relating to the payment of bills for hospital services;

34. Approved an extension of the disability leave of an employee of the University of South Carolina for an additional six months to April 16, 1983;

35. Approved salary levels for employees of the Department of Social Services, Clemson University, Lander College, University of South Carolina, and the Medical University;

36. Approved Department of Youth Services teachers, principals, and administrators pay scales for 1982-83 and approved the compensation of the Youth Services Superintendent of Education; and did not approve changing speech therapists and psychologists positions to unclassified; and

37. Ratified actions taken during executive session.

WAM:dw

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MINUTES OF BUDGET AND CONTORL BOARD MEETING

DECEMBER 17, 1982 10:30 A. M.

The Budget and Control Board met at 10:30 A. M. on Friday, December 17, 1982, in the Governor's conference room in the State House with the following members in attendance:

Governor Richard W. Riley
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Mr. Grady L. Patterson, Jr., was absent.

Attorney General Elect Travis Medlock and Board of Corrections members Condon, Kirkland, Zeigler and Watkins also attended.

Staff members attending included Executive Director W. T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistant Katherine M. Clarke; and staff of the Governor's Office and the Ways and Means Committee.

EXECUTIVE SESSION - Upon a motion by Mr. Morris, seconded by Representative Mangum, the Board agreed to meet in executive session to hear from the Board of Corrections and to discuss related legal matters.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of the executive session item, the meeting was opened and Governor Riley announced that the Budget and Control Board and the Board of Corrections had held discussions on lawsuits and had received legal advice.

The meeting was adjourned at 12:30 p.m.

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