

INTERNAL STAFF UPDATE*

Wednesday, January 27, 2016

One SC Fund:

Total Giving Since the Press Conference

- Check Total as of Jan. 22 nd	\$873,938.54
- Credit Card Total as of Jan. 22 nd	\$57,124.29
- Total	\$931,062.83

Grant Round 1 – Awarded Dec. 15

- Amount Awarded	\$500,000
- Projected # of homes to be assisted	355 homes in 13 counties*

Grant Round 2 – Awarded Jan. 15

- Amount Awarded	\$500,000
- Projected # of homes to be assisted	271 homes in 14 counties**

Total projected # of homes to be assisted 626 homes in 15 counties

Fund balance after two rounds of grants	\$439,989.01
Next round of grants	April

**Lexington, Richland, Kershaw, Orangeburg, Sumter, Clarendon, Darlington, Florence, Horry, Colleton, Dorchester, Georgetown, and Williamsburg.*

***Charleston, Berkeley, Richland, Kershaw, Orangeburg, Sumter, Clarendon, Darlington, Florence, Horry, Colleton, Dorchester, Georgetown, and Williamsburg.*

Ratification:

Yesterday, one bill was ratified: **R133, H.4632 (Allison) – Student Assessments** for 2015-16 and 2016-17 School Years. This is due by midnight on Monday, February 1st.

Superintendent of Education – Status of Legislation:

Both bills passed out of subcommittee and will be taken up in their respective full committees on Tuesday next week:

- **S.1017 (Campsen)** passed out of a Senate Judiciary subcommittee with a favorable report today (3-0). Superintendent Spearman and Scott Price with the School Board Association spoke in favor of the bill. Bernadette Hampton, President of the SC Education Association, spoke against the bill and expressed concerns that the chief education policy maker will become a political appointee with no background in education.

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- **H.3041 (Delleney)** passed out of a House Judiciary subcommittee with a favorable report as amended. The subcommittee adopted the language approved by Superintendent Spearman.

Refugees – Status of Legislation:

The Full Senate General Committee met this morning to receive testimony from Congressmen Mulvaney and Duncan and to vote on the two refugee bills. Congressman Mulvaney spoke highly of your attempts to prevent Syrian refugees from entering South Carolina, and even quoted parts of the letter you wrote to Secretary Kerry. The two bills were combined into one bill via a subcommittee amendment. Subsequently, the bill as amended was reported favorably out of the full committee by a **vote of 9-3**. Senator Johnson attached a minority report.

DSS has communicated to Holly that they have concerns with the bill. Those concerns relate to (1) Posting of refugee Personally Identifiable Information online; and (2) Creating a civil cause of action against resettlement organizations if certain refugees are resettled in South Carolina and subsequently injure someone.

First Steps – Tomorrow’s Restructuring Meeting:

Confirmed attendees for the meeting tomorrow:

- (1) Ken Wingate, Board Chairman, SC First Steps to School Readiness
- (2) Julia-Ellen Davis, Interim Director, SC First Steps to School Readiness
- (3) Lisa Van Riper, Secretary, SC First Steps to School Readiness
- (4) Dr. Dan Wuori, Deputy Director, SC First Steps to School Readiness
- (5) Molly Spearman, State Superintendent of Education
- (6) Mike Brenan, First Steps Study Committee
- (7) Christian Soura, Director of HHS
- (8) Melanie Barton, Executive Director, Education Oversight Committee
- (9) Dave Wilson, Communications Consultant to First Steps
- (10) Alexia Newman, First Steps Board of Trustees
- (11) Rick Noble, County Partnership
- (12) Carolyn Brooks, County Partnership
- (13) Sally Cauthen
- (14) Pierce McNair
- (15) Emily Heatwole
- (16) Sen. Mike Fair
- (17) Sen. Nikki Setzler
- (18) Sen. John Courson
- (19) Rep. Rita Allison
- (20) Rep. Shannon Erickson
- (21) Rep. Garry Smith
- (22) Rep. James Smith
- (23) Rep. Murrell Smith

County Competitiveness Taskforce:

The proposed list of members for the County Competitiveness Taskforce is below. Director Rick Reames and Beth Webb have reached out to potential members regarding their willingness to serve, and they are all willing to participate. The names came per the Governor's approval and through conversations with Burnie Maybank, with designation below as to submission/approval. Taskforce members are:

Taxes, Regulations and Fees:

- (1) Rick Reames
- (2) Mr. Burnet Maybank- Attorney, Nexsen Pruet (recommended/approved by Gov. Haley)
- (3) Ms. Rebecca Gunlaugsson- Economist, Acuitas Economics (recommended by Burnie Maybank, Rick Reames)

Infrastructure:

- (1) Mr. W. Keller Kissam- Senior VP, SCANA (approved by Gov. Haley)
- (2) Mr. Deepal S. Ellatamby- President, Alliance Consulting Engineers, Inc. (approved by Gov. Haley)

Workforce:

- (1) Dr. Barrie Kirk- VP, Corporate & Continuing Education & Economic Development, Midlands Tech College (approved by Gov. Haley)
- (2) Mr. Kim Phillips- HR Director, Hamrick Mills (recommended by Burnie Maybank)

Other suggestions:

- Rick Reames also suggested adding David Clayton, currently the Director of the Center for Manufacturing Innovation in Greenville, to either Workforce or Infrastructure. He had pulled together information for the taskforce prior to leaving his position at the Department of Commerce.
- We do not have representation on the taskforce from the Lowcountry or the Pee Dee, and it may be helpful to add someone from one of those regions for geographical diversity.

Pending final approval of the members from the Governor, our next step is to draft an executive order officially creating the Taskforce and hold a press event (or send out an announcement) to provide notice as to the purpose of the taskforce and its makeup.

EMD – Supporting Michigan's Water Crisis:

Michigan emergency management officials have requested help as they deal with their water crisis (i.e. high levels of lead found in City of Flint's water supply). Since we have extra pallets of water leftover from the flood that were donated or given by FEMA, EMD has decided to send 80 pallets to Michigan, leaving us with 60 pallets in case there is another event in SC. Michigan will be paying for the transportation and forklift expenses.

DOI – Update on Failed Obamacare Co-Op:

Consumers’ Choice Health Insurance Company is a Consumer Operated and Oriented Plan (CO-OP) started under the provisions of the Affordable Care Act. As a CO-OP, Consumers’ Choice is owned by its members, and was governed by a board consisting of nine board members.

Like other federal CO-OPs, it was funded by a start-up loan of \$18,709,800 and an interest bearing solvency loan of \$68,868,408 from the federal government pursuant to a contract between the Centers for Medicare & Medicaid Services (CMS) and the CO-OP.

It started enrolling and insuring members directly and through the federally facilitated exchange (FFE) in October 2013 for individual and small group health insurance coverage. In October 2015, the Department determined that the insurer was be in hazardous financial condition and placed the insurer under administrative supervision on October 21, 2015. At that time, Consumers’ Choice had approximately 67,000 members, most of which had purchased individual market coverage through the federally facilitated exchange (FFE).

Consumers Choice began to wind up operations, and its health insurance coverage expired December 31, 2015. On December 23, 2015, CMS issued a letter notifying Consumers’ Choice that its start-up and solvency loan agreements would also terminate effective December 31, 2015 and that the amount of the loans, together with all interest, costs, fees and expenses were due immediately. That action resulted in the addition of approximately \$69 million in liabilities to the Consumers’ Choice books, and Consumers’ Choice was subsequently placed into receivership.

The Receiver estimates the Contractual Obligations of Consumers’ Choice at approximately \$48 million. CMS then indicated it may set off any funds due Consumers’ Choice by the amount of the initial start-up loan and other amounts. After this set off, the estimated residual assets to fund the \$48 million in Contractual Obligations amounted to only \$7.0 million.

The South Carolina Life and Accident and Health Insurance Guaranty Association was established to guarantee the payment of benefits of insolvent companies. Its members (insurers writing life, accident and health insurance coverages) are subject to assessment in order to provide the funds necessary to guarantee the payment of benefits for covered policies. Individuals insured by Consumers Choice will be covered by the Guaranty Association up to \$300,000.

It is anticipated that the Board of the Directors of the South Carolina Life and Accident and Health Insurance Guaranty Association will assess the life, accident and health insurance industry \$55 million but may give the Executive Director the authority to assess a higher amount (possibly \$75 million) to ensure that the Association has sufficient funds on hand to pay covered claims of Consumers’ Choice. **Assessment letters could be issued to the insurance industry as early as next week.**

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Legal – Amicus for TX Abortion Law:

Governor Abbot is asking fellow Republican Governors to sign onto an Amicus Brief for the SCOTUS case, *Whole Woman's Health v. Cole*, defending a TX abortion law. **The deadline for signing onto the brief is next Tuesday, February 2nd.**

The law is being challenged by an abortion clinic that does not want the increased safety regulations the law requires:

- (1) Requires physicians to obtain admitting privileges at a nearby hospital if they want to perform abortions; and
- (2) Requires abortion clinics to meet safety standards of ambulatory surgical centers.

The purpose of the law is to raise the standard of care by making abortion clinics more like doctor's offices in order to improve health outcomes: medicalizing the practice of abortions and taking it out of the shadows of less-reputable medical clinics with poor safety records.

Currently, nine states have admitting privilege laws for abortions (AZ, AR, CO, FL, ID, IA, MD, NM, OH), but **SC does not have a similar law**. Senators Bright, Bryant, Verdin, Shealy, Fair, Grooms and S. Martin sponsored a bill that would require admitting privileges for SC abortion clinics in 2014, but it did not pass.

De'Shaun Booker, Honorary Trooper:

De'Shaun's mother, LaTrena Elmore, wanted the Governor to know that De'Shaun has been selected to be a guest speaker for the February 12th Black History Program at his old elementary school, Williams Memorial Elementary in St. George. Ms. Elmore also wanted to share his most recent report card from the fall semester: five A's and two B's! She continues to thank Trooper Bob and the Governor for everything being done for him.

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