

From: david.ellison@nm.com <david.ellison@nm.com>
To: chad@eightysixllc.comchad@eightysixllc.com
Smith, AustinAustinSmith@gov.sc.gov
CC: russell.sobel@gmail.comrussell.sobel@gmail.com
Veldran, KatherineKatherineVeldran@gov.sc.gov
Baker, JoshJoshBaker@gov.sc.gov
Date: 12/30/2015 4:36:30 PM
Subject: RE: Please forward to your respective members of the Joint Capital Bond Study Committee -DRAFT report

Ditto to Chad's 2 suggestions. They are a must to go in to the report. Only add is to be sure to highlight the 7 1/2% assumed pension fund investment return. And quickly increasing mortality. And the fact that there is no discount in income for age. One doesn't see that in the private sector pension system, or what's left of it.



ADV

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From: Chad Walldorf [mailto:chad@eightysixllc.com]

Sent: Tuesday, December 29, 2015 10:22 PM

To: Smith, Austin <AustinSmith@gov.sc.gov>

Cc: ELLISON, DAVID /047171 /GA104 <david.ellison@nm.com>; russell.sobel@gmail.com; Veldran, Katherine <KatherineVeldran@gov.sc.gov>; Baker, Josh <JoshBaker@gov.sc.gov>

Subject: Re: Please forward to your respective members of the Joint Capital Bond Study Committee -DRAFT report

While it's currently pretty milquetoast overall, I think the report should absolutely include the following two key findings in the recommendations section that should be very helpful talking points going forward.

1. As discussed and shown in the attached photo of the handout titled "The Maintenance Myth" from Gary Glenn of the CHE, "the state's share of higher education's annual maintenance needs" is \$19.9 million.

In it he also calls it a "myth" that "higher education has accumulated \$1.2B in Deferred Maintenance."

This document was one of the most amazing I've seen promulgated by an agency employee; I think it would be criminal to not highlight it in the body of the recommendations and make it a featured document in the appendix.

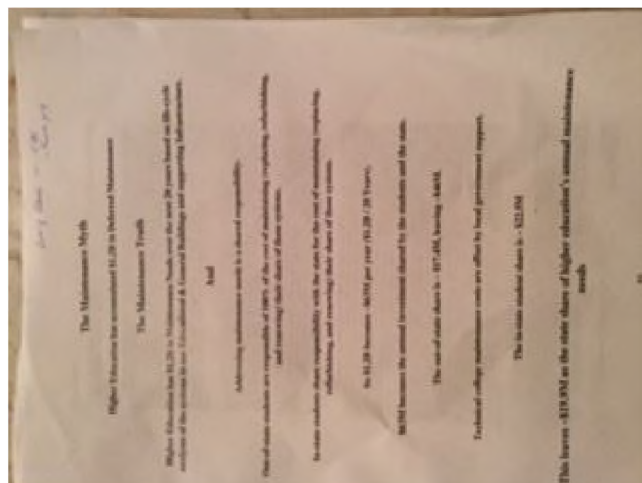
2. And of course I've got to bring up the retirement system's unfounded liability. I'd also suggest in the recommendations or somewhere that the treasurer testified that the retirement systems unfounded liability is getting worse by \$1.5 billion a year and the task force recognizes that as increased debt that should be taken into account before considering additional debt on top of it.

I know Dave and Russ may have more suggestions; if they do I'm sure I'd support them but would be much happier with the report if it at least included those two points as well as the CHE document. As the deadline for comments is Thursday, I'd ask that you at least get these back to Craig pretty quickly with the hopeful support of all three of your appointees and the governor's office.

Thanks much and happy new year to all,

Chad

P.S. Please let me know if senate staff has "lost" the attachment as I can provide a cleaned up PDF if needed.



On Dec 18, 2015, at 3:35 PM, Smith, Austin <AustinSmith@gov.sc.gov> wrote:

From: Veldran, Katherine
Sent: Friday, December 18, 2015 3:08 PM
To: Smith, Austin
Subject: Fwd: Please forward to your respective members of the Joint Capital Bond Study Committee -DRAFT report

Can you send this to our members? For some reason they are not pulling up on my phone.

Begin forwarded message:

From: Craig Parks <CraigParks@scsenate.gov>
Date: December 18, 2015 at 12:17:27 PM EST
To: Amy Wieseahn <AmyWieseahn@scsenate.gov>, Martha Casto <MarthaCasto@scsenate.gov>, Carolyn Youmans <CarolynYoumans@scsenate.gov>, Linda Pridgen <LindaPridgen@scsenate.gov>, Deanne Gray <DeanneGray@scsenate.gov>, "Veldran, Katherine" <KatherineVeldran@gov.sc.gov>
Cc: Kara Brurok <KaraBrurok@schouse.gov>, Mike Shealy <MikeShealy@scsenate.gov>, Beverly Smith <BeverlySmith@schouse.gov>
Subject: Please forward to your respective members of the Joint Capital Bond Study Committee -DRAFT report

Dear Committee Members,

Please find attached for your review a copy of the **draft report** of the Joint Capital Bond Study Committee. In addition to the report, here's the link to the draft's "Appendices": <http://scstatehouse.gov/CommitteeInfo/JointCapitalBondStudyCommittee/AppendicesReview/AppendicesToTheReportOfTheJointCapitalBondStudyCommittee.pdf> (note the link is not "live" but given the size of the appendices, it is easier to provide you a link to the document rather than a series of multiple pdf attachments which is what would be required.)

By providing you this draft today, you and your staff are assured plenty of time for review over the upcoming holidays and are free to suggest changes, if any, you want considered by the Committee prior to 12/31.

Kara or I will follow up with you the week of 12/28.

Happy Holidays to you and yours and a great 2016!

Craig

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