

MINUTES OF  
Budget and  
Control Board  
Meeting  
January 27, 1981

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

January 27, 1981

MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Secretary *WAM*  
SUBJECT: Budget and Control Board Actions at January 27, 1981 Meeting

At the referenced meeting, the Budget and Control Board took the following actions:

1. Approved the minutes of a poll conducted on January 22, 1981;
2. Ratified the action taken in a poll dated January 22, 1981 in which Board members unanimously approved a modification of an existing architectural and engineering contract between Trident Technical College and Geiger, McElveen and Kennedy to provide for additional construction phase services (construction management) on the condition that the change in the scope of the project be referred to the Joint Bond Review Committee for its review;
3. Approved a Newberry County proposal to issue an increase of \$2,000,000 for a total of \$8,500,000 of Industrial Revenue Bonds, Series 1981, on behalf of the Federal Paper Board Company, Inc., project, on the condition that the required reviews by the Attorney General's Office and by the Auditor's Office be completed with satisfactory results;
4. Approved an easement to the South Carolina Public Service Authority for the purpose of constructing and maintaining a 230 KV transmission line across Black River in Georgetown County;
5. Approved a consulting engineering contract between the Department of Highways and Public Transportation and Wilbur Smith and Associates, Inc.;
6. Approved a contract with R. E. Harrington, Inc., for management of the unemployment compensation program;

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7. Approved the Wildlife and Marine Resources Department selection of Love and Cobb, Architects, Inc., to perform the services involved in the design and feasibility study of the construction of a 1700 square foot building to be located on Lake Murray in Newberry County for use by law enforcement and boating staff of the Department under the small projects procedure for a fee not to exceed \$4,000;
8. Approved the College of Charleston selection of Rast and Associates, Consulting Engineers, under the small projects procedure, to perform services related to a project designed to reduce moisture collection in the ceiling space of the student center building for a fee not to exceed \$4,000;
9. Approved (a) a special request for Department of Health and Environmental Control 208 Water Quality and Management Planning Work Program as recommended by the Joint Appropriations Review Committee; and (b) the recommendations of the Grants and Contracts Subcommittee on a package of 35 projects dated 1/15/81 involving a total of \$37,606,724, to be referred to the Joint Appropriations Review Committee;
10. Adopted a procedure under which the State Personnel Division will assist employees terminated as a result of a reduction-in-force in securing other employment within the State government;
11. Received as information a report from the State Personnel Division on new hires by State agencies in the first and second quarters and through January 26 of the 1980-81 fiscal year;
12. Adopted recommendations of the Ad Hoc Committee on the Title XX transfer and day care issues as modified by the Board to be forwarded to the House Ways and Means Committee for its consideration and directed that the staff provide for a review of the Title XX administrative procedure during October or November of this year;
13. Received as information a report from Chairman Piening of the Public Railways Commission indicating that Commission's intention to return approximately \$184,000 to the general fund from the 1980-81 appropriation and indicating its desire that no appropriation of State funds be made to that Commission for the 1981-82 fiscal year;
14. Adopted a procedure under which the Board would either approve or disapprove of decisions made by the Fire Marshal's Appeals Board and give official notice to the affected parties accordingly;
15. Received as information a draft of proposed regulations relating to construction management services for public buildings and authorized their circulation to various professional organizations and other interested parties for the purpose of inviting comments and suggestions on these proposed regulations prior to their being considered for adoption; and expressed its intention not to approve any modifications of existing architectural and engineering contracts to provide for construction management services until regulations on this subject have been adopted by the Board;

16. Approved a request by the Department of Health and Environmental Control for authorization to transfer \$439,043 from personal service accounts to operating fund accounts to provide funds to continue in-patient TB services and inmate hospital care at State Park Health Center on the condition that the Department eliminates not less than 41 headcount and certifies that the positions eliminated are from positions existing prior to July of 1980 and that none of the funds involved in the transfer is from "new position" lapses and that the funds transferred will be used strictly in conjunction with State Park Center operations and for no other purpose;

17. Approved recommendations of the Joint Legislative Committee on Personal Service Financing and Budgeting involving the following positions: State Library, one additional State; Vocational Rehabilitation, 44 additional federal; Budget and Control Board, Finance Division, 3 less State and Comptroller General's Office, 3 additional State (a transfer); Budget and Control Board, Executive Director's Office, one less State and Comptroller General's Office, one additional State (a transfer); Probation, Parole and Pardon Board, 42 additional State, on the condition that the Board action is consistent with actions of the Ways and Means Committee relating to funding for these positions in 1981-82; total positions approved in this action - 87, 43 State and 44 federal;

18. Carried over to the next meeting a request by the Adjutant General's Office for the release of 1980 bond funds;

19. Allocated \$12,218 to the Adjutant General's Office from the Civil Contingent Fund to finance certain radiological emergency response planning and coordination efforts and authorized the Adjutant General's Office to employ two additional persons on a temporary basis for a period not to exceed four months;

20. After considering a request for an allocation of \$8,500 from the Civil Contingent Fund to provide matching monies for a film on the South Carolina legislative and executive process, agreed to forward it to the Ways and Means Committee for consideration for inclusion in the 1981-82 Appropriations Act;

21. Approved an allocation of up to \$4,500 from the Civil Contingent Fund to the Board of Examiners for Nursing Home Administrators to finance operating costs during the current fiscal year;

22. Carried over a request from York Technical College to approve the selection of an A&E firm to perform the planning and design work on a business/medical building;

28. Adopted a resolution approving the undertaking of the Board of Trustees of Clemson University to issue \$5,400,000 Bond Anticipation Notes in anticipation of the sale of a like amount of Student and Faculty Housing Revenue Bonds and approving the issuance of such bonds, subject to review by the Joint Bond Review Committee;

29. Granted blanket approval to Clemson University for the foreign travel of 13 faculty of the Textile Department who will provide technical advice and assistance to the University Institute of Beira Interior in Covilha, Portugal over the next four years ending August 31, 1984 on the understanding that all of this travel will be financed by federal funds;

30. Agreed to hold its next meeting at 10:00 a.m. on Tuesday, February 10, 1981;

31. Agreed to provide up to \$25,000 from the Civil Contingent Fund to be matched equally by local funds to finance legal work required in connection with the Catawba Indian claims and agreed to encumber \$10,000 of that amount from Civil Contingent Funds available in fiscal year 1980-81 and to transfer those funds to the Attorney General's Office as needed to pay for the referenced legal services;

32. Rejected all bids involved in a computer procurement for the Department of Education and the State Board for Technical and Comprehensive Education and authorized the publication of a request for proposals for computer equipment for these agencies;

33. Received as information and let the time expire on State Employee Grievance Committee findings and decisions in cases involving the Medical University, the Department of Mental Health and the University of South Carolina;

34. Approved a settlement of a grievance case involving the School for the Deaf and the Blind;

35. Granted an extension of disability leave without pay to Jacob P. Temple, an employee of the Department of Youth Services;

36. Approved the salary of one employee of the Department of Labor;

37. Received as information a request relating to the implementation of a State Employee Grievance Committee decision involving the Department of Corrections;

38. Received as information a communication from the Liquified Petroleum Gas Board relating to the filling of a vacancy in the Division of State Fire Marshal; and

39. Ratified actions taken in executive session.

WAM:dw

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MINUTES OF BUDGET AND CONTROL BOARD MEETING

JANUARY 27, 1981                      9:00 A. M.

The Budget and Control Board met at 9:00 a.m. on Tuesday, January 27, 1981 in the Governor's conference room with the following members in attendance:

Governor Richard W. Riley  
Mr. Grady L. Patterson, Jr.  
Mr. Earle E. Morris, Jr.  
Representative Tom G. Mangum

The Board noted that Senator Dennis was in Memphis for minor ear surgery and asked that an expression of the Board's concern be sent to him.

Staff members present included Board Secretary William A. McInnis; Governor's Executive Assistant Katherine M. Clarke; Finance Division Director Edgar A. Vaughn, Jr., and staff members Coles, Burr, McPherson and Oliver; State Fire Marshal Richard Campbell; Personnel Division Director Jack S. Mullins; Governor's Office Health and Human Services Division Director Sarah Shuptrine; Senate staff members Bill Jordan and Mike Ey; Ways and Means Committee staff member Robert Toomey; Deputy Attorney General Frank K. Sloan; Management Analyst Edward P. Brophy; and Administrative Assistant Donna K. Williams.

MINUTES OF PREVIOUS MEETINGS - Board members previously had been furnished draft versions of minutes of a poll conducted on January 22, 1981. Upon a motion by Mr. Patterson, seconded by Representative Mangum, the referenced minutes were approved as written.

BLUE AGENDA - After being advised that the required reviews in connection with blue agenda item 2, relating to a Newberry County proposal to issue Industrial Revenue Bonds, had not yet been completed, the Board gave conditional approval to that item and approved all other items on the blue agenda. Blue agenda items are identified as such in these minutes.

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BUDGET AND CONTROL BOARD - RATIFICATION OF ACTIONS APPROVED PREVIOUSLY

(BLUE AGENDA #1) - In keeping with the spirit of the Freedom of Information Act, the Budget and Control Board, upon a motion by Mr. Morris, seconded by Mr. Patterson, ratified the action taken in a poll dated January 22, 1981 in which Board members unanimously approved a modification of an existing architectural and engineering contract between Trident Technical College and Geiger, McElveen and Kennedy to provide for additional construction phase services (construction management) on the condition that the change in the scope of the project be referred to the Joint Bond Review Committee for its review.

Additional detail on this matter may be found in the minutes of the referenced poll.

NEWBERRY COUNTY - INDUSTRIAL REVENUE BONDS (BLUE AGENDA #2) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board adopted a resolution approving a Newberry County proposal to issue an increase of \$2,000,000 for a total of \$8,500,000 of Industrial Revenue Bonds, Series 1981, on behalf of the Federal Paper Board Company, Inc., project, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office be completed with satisfactory results.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

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GENERAL SERVICES - EASEMENT TO PUBLIC SERVICE AUTHORITY (BLUE AGENDA #3) -

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved an easement to the South Carolina Public Service Authority for the purpose of constructing and maintaining a 230 KV transmission line across Black River in Georgetown County, as recommended by the Division of General Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

HIGHWAYS AND PUBLIC TRANSPORTATION - CONSULTING ENGINEERING CONTRACT

(BLUE AGENDA #4) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved a consulting engineering contract between the Department of Highways and Public Transportation and Wilbur Smith and Associates, Inc., for the rating, design and preparation of plans for a bridge over the Savannah River on S. C. Route 28 in McCormick County for a maximum amount of \$96,604 of State funds.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

PERSONNEL DIVISION - MANAGEMENT OF UNEMPLOYMENT COMPENSATION PROGRAM

(BLUE AGENDA #5) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved a Personnel Division contract with R. E. Harrington, Inc., for management of the unemployment compensation program.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.



4 - 1/27/81

WILDLIFE AND MARINE RESOURCES - A&E SELECTION APPROVAL REQUEST

(SMALL PROJECTS) (BLUE AGENDA #6) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved the Wildlife and Marine Resources Department selection of Love and Cobb, Architects, Inc., to perform the services involved in the design and feasibility study of the construction of a 1700 square foot building to be located on Lake Murray in Newberry County for use by law enforcement and boating staff of the Department under the small projects procedure for a fee not to exceed \$4,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

COLLEGE OF CHARLESTON - A&E SELECTION APPROVAL REQUEST (SMALL PROJECTS)

(BLUE AGENDA #7) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved the College of Charleston selection of Rast and Associates, Consulting Engineers, under the small projects procedure, to perform services related to a project designed to reduce moisture collection in the ceiling space of the student center building for a fee not to exceed \$4,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

13593

FINANCE DIVISION (GRANTS AND CONTRACTS) (BLUE AGENDA #8) - Upon

a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved (a) a special request for Department of Health and Environmental Control 208 Water Quality and Management Planning Work Program as recommended by the Joint Appropriations Review Committee and (b) the recommendations of the Grants and Contracts Subcommittee on a package of 35 projects dated 1/15/81 involving a total of \$37,606,724, to be referred to the Joint Appropriations Review Committee.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

PERSONNEL DIVISION - ASSISTANCE TO EMPLOYEES TERMINATED IN A REDUCTION-

IN-FORCE - Personnel Division Director Mullins, in a follow-up to Board direction when its 7% personal service funding reduction recommendation was first announced, outlined a proposed procedure which would require agencies filling vacancies to certify that employees on a reduction-in-force list had been considered. In the ensuing discussion, Board members urged that agencies first try to handle reductions-in-force through attrition. Mr. Morris expressed the view that the proposed procedure should be mandated.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board adopted the procedure proposed by the Personnel Division designed to assist employees terminated as a result of a reduction-in-force in securing other employment within the State government.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

PERSONNEL DIVISION - REPORT ON HIRING IN STATE AGENCIES - The Budget

and Control Board received as information a report from the State Personnel Division on new hires by State agencies in the first and second quarters and through January 26 of the 1980-81 fiscal year. Dr. Mullins also noted that the number of State employees in January of 1981 is 268 fewer than a year ago.

Information relating to this matter has been retained in these files and is identified as Exhibit 9.

AD HOC COMMITTEE - RECOMMENDATION ON TITLE XX TRANSFER AND DAY

CARE ISSUES - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board adopted recommendations of the Ad Hoc Committee on the Title XX transfer and day care issues as modified by the Board to be forwarded to the House Ways and Means Committee for its consideration and directed that the staff provide for a review of the Title XX administrative procedure during October or November of this year.

These Ad Hoc Committee recommendations, if followed, would:

- (1) leave Title XX plan development with DSS, the Governor and the Social Services Advisory Committee (SSAC); (2) modify law to require DSS to furnish plan to Governor and Board by July 15 of each year; (3) change law to require DSS and Governor to agree on plan by October 1 each year (and Board modified recommendations to require Governor to publish last approved plan as proposed plan); (4) require completion of public hearings on plan as soon as possible after October 1 and give hearing reports to Governor by December 15;
- (5) change law to require DSS and Governor to complete plan agreement by January 1; (6) change law to require Governor to continue last approved plan



for next fiscal year if DSS and Governor fail to reach agreement; (7) restore 70% of 1980-81 State funding and State funded positions to direct day care operations; (8) move 30% of funds and authorized positions to "child development and day care"; (9) require DSS to submit a center-by-center progress report on operations and on progress toward contractual services; and (10) reword proposed temporary proviso to require a pro rata reduction of Title XX.

Governor Riley expressed appreciation to Representative Washington and the Ad Hoc Committee for their help in developing these recommendations.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

PUBLIC RAILWAYS COMMISSION - BUDGETARY MATTERS - The Budget and Control Board received as information a report from Chairman Piening of the Public Railways Commission indicating that Commission's intention to return approximately \$184,000 to the general fund from the 1980-81 appropriation and indicating its desire that no appropriation of State funds be made to that Commission for the 1981-82 fiscal year.

FIRE COMMISSION - PROCEDURE ON ACTIONS OF FIRE MARSHAL'S APPEALS BOARD - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board adopted a procedure like that followed in the grievance process under which the Board would simply approve or disapprove of decisions made by the Fire Marshal's Appeals Board and give official notice to the affected parties accordingly.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

8 - 1/27/81

EXECUTIVE DIRECTOR'S OFFICE - CHE VIEW ON CONSTRUCTION MANAGEMENT

AGREEMENTS; STAFF REPORT ON DEVELOPMENT OF REGULATIONS - Upon a motion by Representative Mangum, seconded by Mr. Patterson, the Budget and Control Board received as information a draft of proposed regulations relating to construction management services for public buildings and authorized their circulation to various professional organizations and other interested parties for the purpose of inviting comments and suggestions on them prior to their adoption. The Board also expressed its intention not to approve any modifications of existing architectural and engineering contracts to provide for construction management services until regulations on this subject have been adopted by the Board. The Board also noted a CHE memo advising of an impending report on this subject to that Commission.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

HEALTH AND ENVIRONMENTAL CONTROL - FUNDS TRANSFER REQUEST - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board approved a request by the Department of Health and Environmental Control for authorization to transfer \$439,043 from personal service accounts to operating fund accounts to provide funds to continue in-patient TB services and inmate hospital care at State Park Health Center on the condition that the Department eliminates not less than 41 headcount and certifies that the positions eliminated are from positions existing prior to July 1980, that none of the funds involved in the transfer is from "new position" lapses, and that the funds transferred will be used strictly in conjunction with State Park Health Center operations and for no other purpose.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

13597

FINANCE DIVISION (BUDGET DEVELOPMENT) - RECOMMENDATIONS OF JOINT

LEGISLATIVE COMMITTEE ON PERSONAL SERVICE FINANCING AND BUDGETING - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board approved recommendations of the Joint Legislative Committee on Personal Service Financing and Budgeting involving the following positions: State Library, one additional State position; Vocational Rehabilitation, 44 additional federal positions; Budget and Control Board, Finance Division, 3 less State positions and Comptroller General's Office, 3 additional State positions (a transfer); Budget and Control Board, Executive Director's Office, one less State position and Comptroller General's Office, one additional State position (a transfer); Probation, Parole and Pardon Board, 42 additional State positions, on the condition that the Board action is consistent with actions of the Ways and Means Committee relating to funding for these positions in 1981-82. The total number of positions approved in this action is 87, 43 State positions and 44 federal positions.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

ADJUTANT GENERAL'S OFFICE - REQUESTED RELEASE OF 1980 BOND FUNDS -

The Budget and Control Board carried over to a future meeting its consideration of this item.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.



10 - 1/27/81

ADJUTANT GENERAL'S OFFICE - REQUEST FOR TEMPORARY EMPLOYEES AND CIVIL CONTINGENT FUND ALLOCATION - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board allocated \$12,218 to the Adjutant General's Office from the Civil Contingent Fund to finance certain radiological emergency response planning and coordination efforts and authorized the Adjutant General's Office to employ two additional persons on a temporary basis for a period not to exceed four months.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

COMMENTS ON INTEREST VERSUS INFLATION COSTS - Mr. Morris distributed data prepared by USC Professor Olin Pugh showing what drops in interest rates would have to occur to offset the effects of inflation and delays in allowing bond projects to proceed. He expressed the view that delaying projects is not fair to taxpayers and that interest rates are very unlikely ever again to be under 8%. Mr. Patterson noted that the market index at 9.68% yesterday had increased 45% while inflation had risen 9 to 10% and stated that the turbulent, chaotic bond situation is due to inflationary expectations.

Information relating to this matter has been retained in these files and is identified as Exhibit 16-A.

EXECUTIVE DIRECTOR'S OFFICE - CIVIL CONTINGENT FUND ALLOCATION REQUEST - Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board, after considering a request for an allocation of \$8,500 from the Civil Contingent Fund to provide matching monies for a film on the South Carolina legislative and executive process, agreed to forward the request to the Ways and Means Committee for consideration for inclusion in the 1981-82 Appropriations Act.

Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board approved an allocation of up to \$4,500 from the Civil Contingent Fund to the Board of Examiners for Nursing Home Administrators to finance operating costs during the current fiscal year.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

YORK TECHNICAL COLLEGE - A&E SELECTION APPROVAL REQUEST - The Budget and Control Board carried over to a future meeting its consideration of this item.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

STATE TREASURER'S OFFICE - RESOLUTION AUTHORIZING ISSUANCE BY CLEMSON UNIVERSITY OF \$5,400,000 BOND ANTICIPATION NOTES - Upon a motion by Representative Mangum, seconded by Mr. Morris, the Budget and Control Board adopted a resolution approving the undertaking of the Board of Trustees of Clemson University to issue \$5,400,000 Bond Anticipation Notes in anticipation of the sale of a like amount of Student and Faculty Housing Revenue Bonds and approving the issuance of such bonds, subject to review by the Joint Bond Review Committee.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

CLEMSON UNIVERSITY - BLANKET APPROVAL OF FEDERALLY-FUNDED FOREIGN TRAVEL - Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board granted blanket approval to Clemson University for the foreign travel of thirteen faculty of the Textile Department who will provide technical advice and assistance to the University Institute of Beira Interior in Covilha, Portugal over the next four years ending August 31, 1984 on the understanding that all of this travel will be financed by federal funds.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

13600

12 - 1/27/81

FUTURE MEETING - The Budget and Control Board agreed to hold its next meeting at 10:00 a.m. on Tuesday, February 10, 1981, in the Governor's conference room.

EXECUTIVE SESSION - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board agreed to consider four legal matters, three grievances, and three personnel matters in executive session, whereupon Governor Riley declared the meeting to be in executive session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of executive session items, the meeting was opened and the Board ratified the following actions taken in executive session:

(1) Agreed to provide up to \$25,000 from the Civil Contingent Fund to be matched equally by local funds to finance legal work required in connection with the Catawba Indian claims and agreed to encumber \$10,000 of that amount from Civil Contingent Funds available in fiscal year 1980-81 and to transfer those funds to the Attorney General's Office as needed to pay for the referenced legal services;

(2) Rejected all bids involved in a computer procurement for the Department of Education and the State Board for Technical and Comprehensive Education and authorized the publication of a request for proposals for computer equipment for these agencies;

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(3) Received as information and let the time expire on State Employee Grievance Committee findings and decisions in cases involving the Medical University, the Department of Mental Health, and the University of South Carolina;

(4) Approved a settlement of a grievance case involving the School for the Deaf and the Blind;

(5) Granted an extension of disability leave without pay to Jacob P. Temple, an employee of the Department of Youth Services;

(6) Approved the salary of one employee of the Department of Labor;

(7) Received as information a request relating to the implementation of a State Employee Grievance Committee decision involving the Department of Corrections; and

(8) Received as information a communication from the Liquified Petroleum Gas Board relating to the filling of a vacancy in the Division of State Fire Marshal.

The meeting was adjourned at 12:00 noon.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary in the State House and near the Board Secretary's office in the Wade Hampton Office Building at 8:30 a.m. on Monday, January 26, 1981.]

The State of South Carolina

FEB 09 1981



EXHIBIT

JAN 27 1981

NO. 1

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

KAREN LeCRAFT HENDERSON  
Senior Assistant Attorney General

WADE HAMPTON OFFICE BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S. C. 29211  
TELEPHONE 803-758-8667

DANIEL R. McLEOD  
ATTORNEY GENERAL

February 10, 1981

Honorable William T. Putnam  
Executive Director  
State Budget and Control Board  
Wade Hampton State Office Building  
Columbia, South Carolina

Re: \$8,500,000 Newberry County, South  
Carolina, Industrial Revenue Bonds,  
Series 1981 (Federal Paper Board  
Company, Inc. Project)

Dear Mr. Putnam:

Regarding the above-referenced bonds, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as amended, and the same appear, in our opinion, to be in order.

With kind regards,

A handwritten signature in cursive script, reading "Karen LeCraft Henderson".

Karen LeCraft Henderson  
Senior Assistant Attorney General

KLH:jvh

13603

EXHIBIT

JAN 26 1981

JAN 27 1981

NO. 1

STATE BUDGET & CONTROL BOARD

MORGAN GUARANTY TRUST COMPANY

OF NEW YORK

23 WALL STREET, NEW YORK, N.Y. 10015

*New York* January 23, 1981

WILLIAM F. LUDWIG  
Vice President

Mr. William A. McInnis  
Post Office Box 1244  
Columbia, South Carolina 29211

Re: \$8,500,000 Newberry County, South Carolina  
Industrial Revenue Bonds, (Federal Paper  
Board Company, Inc. Project, Series 1981)

Dear Mr. McInnis:

This is to advise the State Budget and Control Board of South Carolina that Morgan Guaranty Trust Company of New York has been provided all financial information it has requested relating to Federal Paper Board Company, Inc. in order to enable it to make a determination concerning its purchase of a portion of the above-captioned bonds. On the basis of its investigation and such information, Morgan Guaranty Trust Company of New York has committed to purchase such bonds if approved by the State Budget and Control Board and issued by Newberry County. This is to further advise that Morgan Guaranty Trust Company of New York is acquiring the bonds for its own account for investment and not with a view to or for sale in connection with any distribution thereof, provided that the disposition of the bonds shall at all times be within its control subject to any requirements of applicable law.

Yours very truly,

*W.F. Ludwig*

13604



JAN 26 1981



**BANKERS TRUST COMPANY**

280 PARK AVENUE, NEW YORK

## EXHIBIT

*htal*  
*1-10-81*

ROBERT E. SMYTH, VICE PRESIDENT  
TELEPHONE 212 692-5791

JAN 27 1981

NO. 1

STATE BUDGET & CONTROL BOARD

MAILING ADDRESS  
POST OFFICE BOX 318  
CHURCH STREET STATION  
NEW YORK, NEW YORK 10015

January 23, 1981

Mr. William A. McInnis  
Post Office Box 12444  
Columbia, South Carolina 29211

Re: \$8,500,000 Newberry County, South Carolina  
Industrial Revenue Bonds, (Federal Paper  
Board Company, Inc. Project, Series 1981)

Dear Mr. McInnis:

This is to advise the State Budget and Control Board of South Carolina that Bankers Trust Company has been provided all financial information it has requested relating to Federal Paper Board Company, Inc. in order to enable it to make a determination concerning its purchase of a portion of the above-captioned bonds. On the basis of its investigation and such information, Bankers Trust Company has committed to purchase such bonds if approved by the State Budget and Control Board and issued by Newberry County. This is to further advise that Bankers Trust Company is acquiring the bonds for its own account for investment and not with a view to or for sale in connection with any distribution thereof, provided that the disposition of the bonds shall at all times be within its control subject to any requirements of applicable law.

Very truly yours,

*Robert E. Smyth*

13605

SINKLER GIBBS & SIMONS  
PROFESSIONAL ASSOCIATION  
ATTORNEYS & COUNSELLORS AT LAW  
160 EAST BAY STREET  
CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366  
AREA CODE 803

EXHIBIT

January 19, 1981

JAN 27 1981 NO. 1

Karen L. Henderson  
Assistant Attorney General  
P.O.Box 11549  
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

Re: \$8,500,000 NEWBERRY COUNTY, SOUTH CAROLINA,  
INDUSTRIAL REVENUE BONDS, SERIES 1981 (FEDERAL  
PAPER BOARD COMPANY, INC. PROJECT)

Dear Karen:

At its meeting on Tuesday, January 13, the State Budget and Control Board approved a \$6,500,000 Industrial Revenue Bond issue for Federal Paper Board Company in Newberry County. On the following day we were advised by Federal Paper Board Company that their estimated cost of improvements to the facilities being purchased had increased by \$2,000,000. We were also advised that Federal Paper Board had reached an agreement with Morgan Guaranty Trust Company of New York for the purchase of the additional \$2,000,000 of debt.

At its meeting on January 15 the Newberry County Council adopted a Resolution reflecting the increase in the bond issue and authorizing the submission of a new petition to the Budget and Control Board requesting its approval of a \$8,500,000 bond issue. In this connection, I am enclosing a certified copy of the Resolution of the County Council and the Petition of Newberry County requesting State Board approval. Larry Kiefer with White & Case is forwarding a revised Loan Agreement which has been revised only to reflect the increased purchase amount and the addition of a third bond purchaser. Morgan Guaranty Trust Company of New York is forwarding an investment letter directly to Bill McInnis. Bill McInnis advises me that the State Board will hold a special meeting on Tuesday, January 27th and we would like very much to have this matter on the agenda for that meeting. Should you require any additional information, please do not hesitate to call me. Thank you very much for your help in this matter. Best personal regards.

Very truly yours,

*Wm*

TAH:bjh  
cc: William A. McInnis

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# EXHIBIT

JAN 27 1981 NO. 1

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of the Newberry County Council (the County Council) respectfully shows:

1. The County Council is the governing body of Newberry County, South Carolina (the County) as established by law, and, as such, is the Governing Board referred to in Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act).

2. The Act authorizes and empowers the County Council, if it shall comply with the provisions set forth in the Act, to finance land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise through the issuance of bonds payable from and secured by a pledge of the payments to be made by the industry owning or operating buildings, equipment and machinery and other improvements.

3. The County Council has agreed with Federal Paper Board Company, Inc. a New York corporation (the Industry), that County Council will undertake to finance the acquisition and improvement of saw mill facilities (the Project) to be owned and operated by the Industry and

13607



located in the County, through the issuance of Industrial Revenue Bonds pursuant to the Act. In this connection, the County Council has agreed to finance the Project and to issue Eight Million Five Hundred Thousand Dollars (\$8,500,000) Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the Bonds), pursuant to the Act in order to finance the Project.

4. The County Council is advised by the Industry that the cost of the Project will be approximately Eight Million Five Hundred Thousand Dollars (\$8,500,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project, including the costs and charges incident to the issuance and sale of the Bonds, it will be necessary that the County Council issue the Bonds in that amount.

5. For the reasons above set forth and hereinafter disclosed, the County Council has found:

(a) The Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Bond Purchase and Loan Agreement (the Agreement) among the County, the Industry, Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York will unconditionally

obligate the Industry to make payments in an amount adequate to provide for the principal and interest payments on the Bonds.

(d) The Bonds will be dated and will mature and bear interest in amounts and at rates set forth in Article II of the Bond Ordinance, a copy of which is enclosed herewith.

(e) The terms of the Agreement will require the Industry to pay all costs of maintaining the Project in good repair and good operating condition.

6. Pursuant to the Act, the County Council sets forth the following information:

(a) The Project to be financed consists of the acquisition and improvement of a saw mill facility.

(b) The Project will result in increased investment by the Industry in the County and may provide as many as 30 new jobs. It is, therefore, believed that the Project will have a beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the entire Project will amount to approximately \$8,500,000, including the cost of acquiring and improving the Project and all other expenses to be incurred in connection therewith.

7. The Agreement, a draft copy of which is presented herewith, will provide, among other things, the following:

(a) To finance the cost of the acquisition and improvement of the Project, the County will issue \$8,500,000 Newberry County, South Carolina, Industrial

Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981). The Bonds will be secured by a pledge of the payments to be made by the Industry pursuant to Agreement.

(b) The proceeds derived from the sale of the Bonds will be used to pay the costs incident to the acquisition and improvement of the Project, and the issuance of the Bonds.

(c) The Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power; inasmuch as the Agreement is not a lease and provides that the Project will be owned by the Industry, no provision is made for payments in lieu of taxes.

8. The Bond Ordinance makes provision for the issuance of the Bonds referred to above. It provides for the payment and redemption of the Bonds.

9. The Agreement and the Bond Ordinance (draft copies of which are enclosed herewith) will be in the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

Upon the basis of the foregoing, the County Council respectfully prays:

That the State Budget and Control Board of South Carolina accept the filing of the Petition presented



herewith and that it do, thereafter and as soon as practicable, make its independent investigation of the Project and the terms and provisions of the Agreement and the Bond Ordinance, as it deems advisable, that the proposed Project will promote the purposes of the Act and that it is reasonably anticipated to affect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in the Act.

January 15, 1981.

Respectfully Submitted,

By Thomas P. Byrnes  
Chairman, Newberry County  
Council

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

ATTORNEYS & COUNSELLORS AT LAW

160 EAST BAY STREET

CHARLESTON, S. C. 29402

POST OFFICE BOX 340

JAN 27 1981

TELEPHONE 722-3366  
AREA CODE 803

EXHIBIT

JAN 27 1981 NO. 1

January 26, 1981 STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
P.O. Box 12444  
Columbia, SC 29211

Re: \$8,500,000 Newberry County, South Carolina,  
Industrial Revenue Bonds (Federal Paper Board  
Company, Inc. Project, Series 1981)

Dear Bill:

Enclosed herewith please find ten copies of a  
State Board Resolution for the above captioned bond  
issue. I understand that this has been placed on the  
agenda for the meeting on the 27th. I would appreciate  
your having these resolutions executed upon adoption and  
returned to me. If there should be any questions, please  
do not hesitate to call me. Thank you very much for your  
help in this matter.

Very truly yours,

*Thomas A. Hatcher*  
(374)

TAH:bjh  
Enclosures

cc: Karen Henderson

13612

# EXHIBIT

JAN 27 1981

NO. 1

## RESOLUTION

## STATE BUDGET & CONTROL BOARD

### STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore the Newberry County Council (the County Board) did, pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act), petition the State Budget and Control Board of South Carolina (the State Board) seeking the approval of the State Board to an undertaking by the County Board pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the financing of the acquisition and improvement of an existing saw mill facility located in Newberry County, South Carolina (the County) to be owned and operated by Federal Paper Board Company, Inc., a New York corporation (the Industry), and the County Board proposes to finance the acquisition and improvement of the said facilities (said facilities being hereinafter referred to as the Project) by the issuance of bonds pursuant to the Act; and

WHEREAS, in order to finance the Project, the County Board proposes to provide for the issuance of \$8,500,000 Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the Bonds) pursuant to the Act payable from the payments to be made pursuant to a Bond Purchase and Loan Agreement (the Agreement) among the County, the Industry, Bankers Trust Company, The South Carolina National Bank and Morgan



Guaranty Trust Company of New York; and

WHEREAS, the Agreement also requires the Industry to pay all costs and expenses incurred by the County in connection with the issuance of the Bonds and the financing of the acquisition and improvement of the Project; and

WHEREAS, the form of the Agreement and the ordinance adopted by the County Board (the Bond Ordinance) pursuant to which the Bonds are to be issued have been considered by this Board.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD IN MEETING DULY ASSEMBLED:

1. It has been found and determined by the State Board:

(a) That the statement of facts set forth in the recitals to this Resolution are in all respects true and correct.

(b) That the County Board has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Agreement and the Bond Ordinance and has established that the Industry will make the payments prescribed by the Act.

(c) That the Project will result in an increase in employment and capital investment within the County.

(d) That the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings the proposed undertaking of the County Board to finance the acquisition and improvement of the Project and to lend the proceeds of the sale of the Bonds to the Industry and to finance the cost of the acquisition and improvement of the Project through the issuance of Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) in the principal amount of \$8,500,000, issued pursuant to the Agreement and the Bond Ordinance, payable from the revenues to be derived from payments by the Industry pursuant to the Agreement all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken by the State Board in giving approval to the undertaking of the County above described in paragraph 2 shall be published in THE NEWBERRY OBSERVER, a newspaper having general circulation in the County.

4. That notice to be published shall be in form substantially as set forth as EXHIBIT "A" of this Resolution.

EXHIBIT "A"

NOTICE PURSUANT TO TITLE 4, CHAPTER 29,  
CODE OF LAWS OF SOUTH CAROLINA, 1976

Notice is hereby given that following the filing of a Petition by the Newberry County Council (the County Council) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz.:

The financing by the County Council of the acquisition and improvement of an existing saw mill facility (the Project) to be owned and operated by Federal Paper Board Company, Inc., a New York corporation (the Industry), located in Newberry County, South Carolina (the County). To finance the acquisition and improvement of the Project, the County Council will issue Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the Bonds) in the principal amount of \$8,500,000 pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended. The County will lend the proceeds of the to the Industry under a Bond Purchase and Loan Agreement, and the Bonds will be payable by the County

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solely from the payments to be paid to the County by the Industry, which has irrevocably covenanted and agreed to pay when due, all sums required for the principal and interest thereon. The Bonds will be issued pursuant to a Bond Ordinance adopted by the Newberry County Council.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County Council by action de novo instituted in the Court of Common Pleas for the County.

THE STATE BUDGET AND CONTROL BOARD  
By: William A. McInnis

PUBLICATION DATE:  
\_\_\_\_\_, 198\_\_

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# EXHIBIT

JAN 27 1981 NO. 1

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 9:30 a.m., Tuesday, January 27, 1981, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

Senator Rembert C. Dennis

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Morris, who moved its adoption; said motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

## FOR MOTION

4

## AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

William A. McInnis

Secretary

February 9, 1981

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# EXHIBIT

JAN 27 1981

NO. 1

STATE BUDGET & CONTROL BOARD

## A RESOLUTION

APPROVING THE FINANCING OF THE ACQUISITION AND IMPROVEMENT OF CERTAIN INDUSTRIAL FACILITIES IN NEWBERRY COUNTY TO BE OWNED AND OPERATED BY FEDERAL PAPER BOARD COMPANY, INC. THROUGH THE ISSUANCE OF EIGHT MILLION FIVE HUNDRED THOUSAND DOLLAR (\$8,500,000) NEWBERRY COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BONDS (FEDERAL PAPER BOARD COMPANY, INC. PROJECT, SERIES 1981); AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE NEWBERRY COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

## ARTICLE I

### FINDINGS OF FACT

#### SECTION 1.01

As an incident to the adoption of this Resolution, the Newberry County Council (the County Council), the governing body of Newberry County, South Carolina (the County), has made the following findings:

1. Federal Paper Board Company, Inc., a New York corporation (the Industry), has proposed that the County Council assist in financing the acquisition and improvement of a saw mill facility (the Project) in the County at an estimated cost of \$8,500,000 through the issuance of Industrial Revenue Bonds pursuant to the authorization of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act). The Industry has advised the County Council that its proposed industrial project would be aided

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by the assistance which the County might render through the sale of Industrial Revenue Bonds in the principal amount of \$8,500,000 pursuant to the Act. The County Council has agreed so to finance the acquisition and improvement of the Project and adopts this Resolution to evidence its approval of the issuance of \$8,500,000 Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the Bonds) as aforesaid and to authorize a petition to the State Budget and Control Board of South Carolina (the State Board), setting forth the facts required by the Act.

2. The County Council has determined that the Project will subserve the purposes of the Act and neither the Project nor the Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

3. The amount necessary to finance the Project is Eight Million Five Hundred Thousand Dollars (\$8,500,000).

4. The amount necessary in each year to pay principal of and interest on the Bonds is the amount required to be paid pursuant to Section 202 of the ordinance relating to the Bonds (the Bond Ordinance), which has been given second reading by the County Council.

5. The Industry has submitted to the County Council a draft of the proposed Bond Purchase and Loan Agreement (the Agreement), under which the Industry will agree to pay the

amount necessary to provide the annual payments of principal and interest on the Bonds.

6. The Agreement obligates the Industry unconditionally to pay the amount necessary to provide the annual payments of principal and interest to become due on the Bonds and to pay other costs in connection therewith.

7. The Agreement also obligates the Industry to maintain the Project in good repair and in good operating condition.

8. In view of the well established credit of the Industry and the successful arrangements to effect a sale of the Bonds without the establishment of reserve funds for the payment of the principal and interest, no such reserve funds will be established.

9. The Industry has arranged for the sale of the Bonds to Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York.

## ARTICLE II

### SUBMISSION OF PETITION

#### SECTION 2.01

The Petition in form substantially as attached hereto as Exhibit A shall be presented to the State Board to seek the approval required by the Act; said Petition shall be duly executed by the Chairman of the County Council.

EXHIBIT A

STATE OF SOUTH CAROLINA  
COUNTY OF NEWBERRY

\_\_\_\_\_  
TO THE STATE BUDGET AND CONTROL )  
BOARD OF SOUTH CAROLINA )  
\_\_\_\_\_ )

P E T I T I O N

The Petition of the Newberry County Council (the County Council) respectfully shows:

1. The County Council is the governing body of Newberry County, South Carolina (the County) as established by law, and, as such, is the Governing Board referred to in Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act).

2. The Act authorizes and empowers the County Council, if it shall comply with the provisions set forth in the Act, to finance land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise through the issuance of bonds payable from and secured by a pledge of the payments to be made by the industry owning or operating buildings, equipment and machinery and other improvements.

3. The County Council has agreed with Federal Paper Board Company, Inc. a New York corporation (the Industry),



that County Council will undertake to finance the acquisition and improvement of saw mill facilities (the Project) to be owned and operated by the Industry and located in the County, through the issuance of Industrial Revenue Bonds pursuant to the Act. In this connection, the County Council has agreed to finance the Project and to issue Eight Million Five Hundred Thousand Dollars (\$8,500,000) Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the Bonds), pursuant to the Act in order to finance the Project.

4. The County Council is advised by the Industry that the cost of the Project will be approximately Eight Million Five Hundred Thousand Dollars (\$8,500,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project, including the costs and charges incident to the issuance and sale of the Bonds, it will be necessary that the County Council issue the Bonds in that amount.

5. For the reasons above set forth and hereinafter disclosed, the County Council has found:

(a) The Project will subserve the purposes of the Act.

(b) By reason of undertaking the Project, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power.

(c) The proposed Bond Purchase and Loan Agreement (the Agreement) among the County, the Industry, Bankers Trust

Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York will unconditionally obligate the Industry to make payments in an amount adequate to provide for the principal and interest payments on the Bonds.

(d) The Bonds will be dated and will mature and bear interest in amounts and at rates set forth in Article II of the Bond Ordinance, a copy of which is enclosed herewith.

(e) The terms of the Agreement will require the Industry to pay all costs of maintaining the Project in good repair and good operating condition.

6. Pursuant to the Act, the County Council sets forth the following information:

(a) The Project to be financed consists of the acquisition and improvement of a saw mill facility.

(b) The Project will result in increased investment by the Industry in the County and may provide as many as 30 new jobs. It is, therefore, believed that the Project will have a beneficial effect upon the economy of the County and areas adjacent thereto.

(c) The cost of the entire Project will amount to approximately \$8,500,000, including the cost of acquiring and improving the Project and all other expenses to be incurred in connection therewith.

7. The Agreement, a draft copy of which is presented herewith, will provide, among other things, the following:

13624

(a) To finance the cost of the acquisition and improvement of the Project, the County will issue \$8,500,000 Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981). The Bonds will be secured by a pledge of the payments to be made by the Industry pursuant to Agreement.

(b) The proceeds derived from the sale of the Bonds will be used to pay the costs incident to the acquisition and improvement of the Project, and the issuance of the Bonds.

(c) The Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power, inasmuch as the Agreement is not a lease and provides that the Project will be owned by the Industry, no provision is made for payments in lieu of taxes.

8. The Bond Ordinance makes provision for the issuance of the Bonds referred to above. It provides for the payment and redemption of the Bonds.

9. The Agreement and the Bond Ordinance (draft copies of which are enclosed herewith) will be in the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

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Upon the basis of the foregoing, the County Council respectfully prays:

That the State Budget and Control Board of South Carolina accept the filing of the Petition presented herewith and that it do, thereafter and as soon as practicable, make its independent investigation of the Project and the terms and provisions of the Agreement and the Bond Ordinance, as it deems advisable, that the proposed Project will promote the purposes of the Act and that it is reasonably anticipated to affect such result, and on the basis of such finding, that it does approve the Project, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in the Act.

January 15, 1981.

Respectfully Submitted,

By \_\_\_\_\_  
Chairman, Newberry County  
Council

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STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

I, the undersigned Clerk of the Newberry County Council do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted by the Newberry County Council having been read at a duly called meeting of County Council on January 15, 1981.

Witness my Hand and Seal of the Newberry County Council this 15th day of January, 1981.

Jewell D. Kibler  
Clerk, Newberry County Council

(SEAL)

13627

B-FEDERAL PAPER BOARD 1114397  
General 001  
FPB -- BPA & LA

Draft 1/16/81  
Mr. Kiefer

MARKED COPY

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EXHIBIT

JAN 27 1981 NO. 1

STATE BUDGET & CONTROL BOARD

NEWBERRY COUNTY, SOUTH CAROLINA

FEDERAL PAPER BOARD COMPANY, INC.

---

BOND PURCHASE AND LOAN AGREEMENT

---

Dated as of January 15, 1981

\$8,500,000 Newberry County, South Carolina  
Industrial Revenue Bonds (Federal Paper Board  
Company, Inc. Project, Series 1981)

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ATTACHMENT TO BOND PURCHASE AND LOAN  
AGREEMENT:

EXHIBIT A - Form of Bond

EXHIBIT B - Form of the Note

EXHIBIT C - Form of Guaranty and Indemnification  
Agreement

EXHIBIT D - Description of Project

EXHIBIT E - Description of Closing Opinion of Quentin J.  
Kennedy, Counsel for Federal Paper Board  
Company, Inc.

EXHIBIT F - Description of Closing Opinion of Sinkler  
Gibbs & Simons as Bond Counsel.

EXHIBIT G - Description of Closing Opinion of Gary T.  
Pope, Esq. as Issuer Counsel

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BOND PURCHASE AND LOAN AGREEMENT

Newberry County, South Carolina  
Industrial Revenue Bonds

Dated as of January 15, 1981

Bankers Trust Company  
280 Park Avenue  
New York, New York 10015

The South Carolina National Bank  
1241 Main Street  
Columbia, South Carolina 29226

NEW [ Morgan Guaranty Trust Company  
of New York  
23 Wall Street  
New York, New York 10005

Gentlemen:

The undersigned, NEWBERRY COUNTY, SOUTH CAROLINA (the "Issuer"), a body politic and corporate and a political subdivision of the State of South Carolina, and FEDERAL PAPER BOARD COMPANY, INC., a New York corporation (the "Company"), confirm their agreement with each other and you as follows:

SECTION 1. PURCHASE AND SALE OF BONDS.

1.1 Description of Bonds. The Issuer, acting by and through the Governing Board (as defined in the Act) of Newberry County (the "County Board"), will authorize, pursuant to the authority conferred by Title 29, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), the issuance and sale of \$8,500,000 aggregate principal amount of its Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the "Bonds") bearing interest at a rate per annum (computed on the basis of a 360-day year on the actual days elapsed) of 63% of the Prime Lending Rate for the period from the Closing Date (as hereinafter defined) to January 15, 1983, 65% of the Prime Lending Rate for the period from January 15, 1983 to January



15, 1987, and 67% of the Prime Lending Rate for the remaining life of the Bonds, payable quarterly, on January 15, April 15, July 15, and October 15 in each year; provided that upon any Event of Taxability, the interest rate on and after such occurrence shall be 112% of the Prime Lending Rate. The Bonds are issuable in registered form without coupons in the denomination of \$150,000 or any greater integral multiple of \$1,000 and shall be substantially in the form annexed hereto as Exhibit A, with such changes therein as shall be approved by you, the Issuer and the Company. The Bonds will be secured by the assignment hereunder by the Issuer to you of all right, title and interest of the Issuer in and to the payments to be made by the Company as evidenced by Notes substantially in the form of Exhibit B to this Agreement (the "Notes") on account of the Loan (as hereinafter defined) from the Issuer to the Company and all of the Issuer's rights against the Company under this Agreement, except for its rights pursuant to Sections 2.3, 9.6 and 9.7 hereof. In addition, holders of the Bonds will be entitled to the benefits of a Guaranty and Indemnification Agreement between the Company and you substantially in the form of Exhibit C of this Agreement (the "Guaranty").

1.2 Purchase and Sale of the Bonds. Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth or provided for, the Issuer hereby agrees to sell and deliver to you, and you agree to purchase from the Issuer, Bonds in the following amounts: (i) Bankers Trust Company, \$4,000,000; (ii) The South Carolina National Bank, \$2,500,000; and (iii) Morgan Guaranty Trust Company of New York, \$2,000,000, at 100% of the principal amount thereof. Each of you is herein called a "Purchaser" and collectively you are herein called the "Purchasers". The aggregate principal amount of Bonds to be purchased pursuant to this Agreement is \$8,500,000, but the purchase by each Purchaser is a separate and several purchase. Delivery of the Bonds will be made at the offices of Messrs. Sinkler Gibbs & Simons, at 11:00 A.M. Eastern Standard Time, on February 18, 1981, or such later date, not later than \_\_\_\_\_, 1981, and at such other location, as may be mutually agreeable to you, the Issuer and the Company (the "Closing Date") against payment therefor in immediately available funds in New York City on the Closing Date.

The Bonds shall be typewritten and shall be delivered to each of you in the form of one fully registered Bond, shall be dated and bear interest from the Closing

Date, and shall be registered in your name or in the name of such nominee as you may specify at least three business days prior to the Closing Date.

1.3 Failure to Deliver. If on the Closing Date the Issuer fails to tender the Bonds to you or if the conditions specified in Section 6 hereof have not been fulfilled, you may thereupon elect to be relieved of all further obligations under this Agreement. Nothing in this Section shall operate to relieve the Company or the Issuer from its obligations hereunder or to waive any of your rights against the Company or the Issuer.

## SECTION 2. LOAN OF BOND PROCEEDS.

The Company and the Issuer agree as follows:

2.1 Loan of Bond Proceeds. The Issuer shall loan the entire proceeds of the sale of the Bonds received by it pursuant to Section 1.2 hereof by directing the Purchasers to pay said Bond proceeds directly to the Company by delivery of immediately available funds in New York City on the Closing Date to the Company at the closing. The lending of such funds by the Issuer and the borrowing thereof by the Company shall hereinafter be referred to as the "Loan". As evidence of the obligation of the Company to repay the Loan, the Company will deliver three Notes to the Issuer on the Closing Date, each note to be of an amount corresponding to the amount of each Bond delivered at the Closing. From and after the closing, this Agreement and the Notes shall constitute evidence of the Company's obligation with respect to the Loan.

2.2 Repayment of the Loan. The Company shall repay the Loan by making payment to the Bondholders as assignees of the Notes in such amounts as are necessary to pay all amounts due with respect to principal of, premium, if any, and interest on the Bonds as they become due, whether at maturity, by optional prepayment, required prepayment or acceleration, and all amounts with respect to overdue principal and premium, if any, at such time and in such manner as set forth herein or in the Bonds.

2.3 Issuer's Expenses. Until repayment of the Loan in full through payment of the Bonds in full, the Company shall pay or reimburse the Issuer for any reasonable expenses of the Issuer, which may include the cost of the

preparation of any Bond or Bonds executed and delivered pursuant to Section 12.1 hereof or any expenses of travel, communication and legal services, which the Issuer may deem reasonably necessary in the exercise of its rights or the performance of its obligations hereunder.

2.4 Application and Disbursement of the Loan.  
The Loan may be disbursed by the Company for the following purposes (and for no other purpose):

(a) payment of the necessary expenses of preparing and selling the Bonds, the fees and expenses for recording or filing any financing statements required by the Issuer or the Purchasers to be recorded or filed, and any other documents or instruments, the filing or recording of which either the Issuer, the Purchasers or the Company, or counsel to the Issuer, or the Purchasers may reasonably deem to be necessary or desirable;

(b) payment of such amount, if any, as shall be necessary for all advances and payments made or costs incurred by the Company prior to or after the execution of this Agreement for expenditures in connection with the acquisition, construction or equipping of the Project, as described in Exhibit D to this Agreement; any and all direct and indirect costs of the acquisition and construction of the Project; acquisition of all other property deemed necessary in connection with the Project; and for miscellaneous expenses incidental to any of the above (including, without limitation, fees for architectural, engineering and supervisory services with respect to any of the foregoing);

(c) payment of the reasonable legal and accounting fees (including those of the Purchasers, the Issuer and the Company) and expenses incurred in connection with the authorization, issuance and sale of the Bonds, the preparation of this Agreement and all other documents in connection therewith and in connection with the acquisition, construction or equipping of the Project; and payment of the fees, or out-of-pocket expenses, of the Issuer, if any, incurred with respect to the Project or the Bonds to be issued hereunder;

(d) payment for labor, services, materials and supplies used or furnished for any of the purposes or objectives set out in Section 2.4(b) above;

(e) payment of any other expense authorized under the Act.



2.5 Establishment of Completion Date. The Completion Date shall be evidenced to the Purchasers and the Issuer by a certificate signed by an officer of the Company stating in substance that (1) the acquisition, construction and equipping of the Project has been completed to the satisfaction of the Company and paid for in full, (2) the Project is suitable and sufficient for its intended purpose, and (3) all of the proceeds from the sale of the Bonds theretofore disbursed by the Company have been used for purposes allowable under Section 103(b)(2) of the Internal Revenue Code of 1954, as amended.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Company to cause such certificate to be furnished as soon as the acquisition, construction and equipping of the Project shall have been completed.

Any funds remaining on the Completion Date shall be used to prepay Bonds in accordance with Section 7.2 hereof.

2.6 Company Required to Complete Project if Loan Proceeds Insufficient. In the event the Loan Proceeds available for payment of the cost of the Project are insufficient to pay all costs in full, the Company agrees to complete the Project and to pay that portion of the cost in excess of the moneys available therefor from the Loan proceeds. The Issuer does not make any warranty, either express or implied, that the Loan proceeds available for payment of the cost of the Project will be sufficient to pay all of the cost. The Company agrees that if after disbursement of all of the Loan proceeds, the Company should pay any portion of the cost of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or the Purchasers.

### SECTION 3. WARRANTIES AND REPRESENTATIONS OF COMPANY.

The Company represents and warrants as follows:

3.1 Organization and Qualification. The Company is a corporation duly organized and existing in good standing under the laws of the State of New York, each active

subsidiary is duly organized and existing in good standing under the laws of the jurisdiction in which incorporated, and the Company has and each active subsidiary has the corporate power to own its respective property and to carry on its respective business as is now being conducted, and the Company is and each active subsidiary is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the respective business conducted by it makes such qualification necessary.

3.2 Financial Statements. The Company has furnished the Purchasers with the following financial statements, identified by a principal financial officer of the Company: (i) consolidated balance sheets of the Company and its subsidiaries as at December 31, 1979 and December 31, 1978 and related statements of consolidated income, consolidated retained earnings and changes in consolidated financial position of the Company and its subsidiaries for the fiscal years ended on such dates, respectively, certified by Deloitte, Haskins & Sells. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of the Company and its subsidiaries as at the dates thereof, and the statements of income, retained earnings and changes in financial position fairly present the results of the operations of the Company and its subsidiaries for the periods indicated. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company or any of its subsidiaries since December 31, 1979.

3.3 Actions Pending. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries, or any of their respective properties, which might result in any material adverse change in the business, condition, financial or otherwise, or operations of the Company or any of its subsidiaries or which involves the possibility of materially adversely affecting the ability of the Company to comply with the Guaranty or this Agreement.

3.4 Taxes. The Company has and each of its subsidiaries has filed all Federal and State income tax returns which, to the best knowledge of the officers of the Company, are required to be filed, and each has paid all taxes as shown on said returns and on all assessments received by it to the extent that such taxes have become due. Federal income tax returns of the Company and its subsidiaries have been examined and reported on by the taxing authorities or closed by applicable statutes and satisfied for all fiscal years prior to and including the fiscal year ended on December 31, 1974.

3.5 Conflicting Agreements and Other Matters. Neither the Company nor any of its subsidiaries is a party to any contract or agreement or subject to any charter or other corporate restriction which materially and adversely affects its business, property or assets, or financial condition. The execution, delivery and performance of this Agreement, the Guaranty and the Notes, and the offering, issuance and sale of the Bonds, will not result in the violation of or be in conflict with or constitute a default under the charter or by-laws of the Company or any term or provision of any mortgage, lease, agreement or other instrument, or any judgment, decree, governmental order or, to the best of its knowledge after having made due inquiry with respect thereto, any statute, rule or regulation, by which the Company is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any Federal, State or other governmental commission, agency or authority is necessary in connection with the execution and delivery of the Agreement, the Notes and the Guaranty by the Company. Neither the Company nor any subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the Company or such subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which restricts or otherwise limits the incurring of the indebtedness to be represented by the Notes, the Agreement and the Guaranty.

3.6 Disclosure. There is no fact known to the Company or its subsidiaries which materially adversely affects or in the future may materially adversely affect the business, property or assets, or financial condition of the Company or any of its subsidiaries which has not been set forth in the Agreement or in the other documents, certificates and statements furnished to the Issuer and the Purchasers by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.



3.7 Offering of Bonds. Neither the Company nor any agent acting on its behalf has offered the Bonds or any similar or related Security for sale to, or solicited any offers to buy the Bonds or any similar or related Security from, any Person or Persons other than the Purchasers, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Bonds to the provisions of Section 5 of the Securities Act of 1933, as amended, or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

3.8 Important Inducement; Location of Project. The Project will be located within the territorial boundaries of Newberry County, South Carolina, and the availability of the financial assistance from the Issuer as provided herein has been an important inducement to the Company to so locate their operations in the State of South Carolina.

3.9 Compliance with the Internal Revenue Code. Neither the Company nor any other principal user of the Project or a related person to any of the foregoing, as such terms "related person" and "principal user" are defined in the Internal Revenue Code of 1954, as amended (the "Code"), and the regulations thereunder, is the principal user of (i) other facilities located or to be located wholly or partially in Newberry County, South Carolina, or (ii) facilities located or to be located in an incorporated municipality adjacent to Newberry County, South Carolina, which are or will be contiguous or integrated with facilities located or to be located in Newberry County, South Carolina, and which facilities referred to in (i) and (ii) above were financed in whole or in part from the proceeds of outstanding bonds, notes or any other obligations the interest on which is exempt from Federal income taxes by reason of Section 103 (b)(6) of the Code.

#### SECTION 4. WARRANTIES, REPRESENTATIONS AND AGREEMENTS OF THE ISSUER.

The Issuer warrants, represents and agrees that:

##### 4.1 Organization and Authority. The Issuer

(a) is a public body politic and corporate and a political subdivision of the State of South Carolina; and

(b) has all requisite power and authority under the Act (1) to issue, sell and deliver the Bonds as provided herein, (2) to use the proceeds thereof to make the Loan and finance the cost of the Project, (3) to enter into this Agreement, and (4) to secure the payments which shall become due on the Bonds by the assignment set out in Section 9.1 hereof.

4.2 Pending Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court, arbitration board or tribunal, public board or body pending or threatened against or affecting the Issuer, or, to the best knowledge of the Issuer, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Agreement, or which, in any way, would adversely affect the validity or enforceability of the Bonds, this Agreement or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Agreement, or the exemption from taxation in the State of South Carolina or any political subdivision thereof of the Bonds and the income therefrom, this Agreement or the revenues derived from the Loan, or the exemption from stamp and transfer taxes of the State of South Carolina of this Agreement.

4.3 Sale and Other Transactions are Legal and Authorized. The sale of the Bonds and the execution, delivery and due performance of this Agreement and any and all other agreements relating thereto or hereto, and the compliance with all the provisions of each thereof and of the Bonds by the Issuer:

(a) are within the purposes, powers and authority of the Issuer;

(b) have been done in full compliance with the provisions of the Act, are legal, will not conflict with or constitute on the part of the Issuer a violation of, the Constitution of the state of South Carolina (except to the extent such conflict, violation, breach or default has been waived or consented to by the parties thereto and copies of such waivers or consents have been delivered to you and your special counsel), or result in the creation of any Lien or encumbrance upon any property of the Issuer under the

provisions of, any charter instrument, by-law, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties; and

(c) have been duly authorized by an ordinance (the "Ordinance"), duly adopted by the Issuer which remains in full force and effect.

When delivered to you in accordance with this Agreement, the Bonds being purchased by you hereunder will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the Issuer payable solely from the revenues and other funds of the Issuer pledged therefor, and the Purchasers, their transferees and assigns will be entitled to the benefits of this Agreement and the assignment as set out in Section 9.1 hereof.

4.4 No Defaults. No event has occurred and no condition exists which, upon the issuance of the Bonds, or thereupon with notice and/or passage of time, would constitute an Event of Default; and the Issuer is not in default under any term of any agreement, charter instrument, by-law or other instrument to which it is a party or by which it may be bound. The Issuer is not and has never been in default under any outstanding general obligation indebtedness.

4.5 Governmental Consents. All consents, approvals, authorizations and orders of, or filing, registration, or qualification with, any governmental or regulatory authorities which are required to be obtained by the Issuer for the consummation of the transactions contemplated by this Agreement have been duly and validly obtained or performed and are in full force and effect.

4.6 Use of Proceeds. The Issuer neither owns nor has any present intention of acquiring any "margin security" as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System (herein called a "margin security"). None of the proceeds from the sale of the Bonds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purpose of reducing or retiring any indebtedness which



was originally incurred to purchase or carry a margin security or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation U. Neither the Issuer nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Bonds to violate Regulation U, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect.

4.7 Use of Project for Public Purposes. The Issuer has determined that the Project and the use of the proceeds from the sale of the Bonds therefor will accomplish the public purposes set forth in the Act.

4.8 Compliance with Internal Revenue Code. Based on information supplied by the Company, it is the Issuer's expectation that: (i) the proceeds of the sale of the Bonds will be used solely for the payment of the cost of the Project, as provided herein; and (ii) no part of such proceeds will be used to finance inventory or working capital. Based on information supplied by the Company and after having made due inquiry with respect thereto, to the best of Issuer's knowledge there is outstanding no issue of industrial revenue bonds, as defined in Section 103(c)(2) of the Code and the Regulations thereunder, the interest on which is exempt under Section 103(b)(6) of the Code and the proceeds of which have been or will be used with respect to facilities, the principal user or users of which are or will be the Company or any related person or persons (as defined in Section 103(c) of the Code and Regulations thereunder) and the location of which are or will be wholly or partially in Newberry County, South Carolina or are or will be contiguous to or integrated with any facilities so located.

4.9 Notice of Event of Default. The Issuer covenants that it will deliver to you, as long as you or your nominees hold any Bonds, and to any other institutional holder of Bonds then outstanding, forthwith upon the Issuer becoming aware of the existence of any condition or event which constitutes, or with the giving of notice or the passage of time or both would constitute, an Event of Default, a written notice stating the existence thereof, the period of existence thereof, and what action the Issuer proposes to take with respect thereto.

4.10 Inspection. The Issuer will permit any of your representatives, and the representatives of your nominees which hold any of the Bonds, and the representatives of any other institutional holder of Bonds then outstanding, at the expense of such holder, to examine the books of account and all other financial records, reports and other papers of the Issuer relating to the Project, to examine and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Issuer relating to the Project, with its officers and employees and independent public accountants, all at such reasonable times and as often as such persons may reasonably request.

4.11 Offering of Bonds. Neither the Issuer nor any agent acting on its behalf has offered the Bonds or any similar or related Security for sale to, or solicited any offers to buy the Bonds or any similar or related Security from, or otherwise approached or negotiated with respect thereto with, any Person or Persons other than yourselves, and neither the Issuer nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Bonds to the provisions of Section 5 of the Securities Act of 1933, as amended, or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

SECTION 5. LIMITATION ON USE OF BOND  
PROCEEDS; ARBITRAGE COVENANTS.

5.1 Certification; Expenditure of All Proceeds.  
The Company certifies and represents that:

(a) The Bonds are industrial development bonds under Section 103(b)(2) of the Code.

(b) All of the proceeds of the Bonds will be expended before July 1, 1982 for costs of the Project, except for proceeds of the Bonds applied to the prepayment of the Bonds as provided in Section 7.2 hereof.

5.2 Arbitrage. The Company covenants and agrees with the Issuer and the holders of the Bonds that it will take no action which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code.

5.3 Notification of Listing. The Issuer hereby certifies to the Company that it has not been notified of

any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

#### SECTION 6. CLOSING CONDITIONS.

Your obligation to purchase and pay for the Bonds to be delivered to you on the Closing Date shall be subject to the following conditions precedent:

6.1 Opinions of Counsel. You shall have received from Quentin J. Kennedy, Esq., Vice President and Treasurer of the Company, as Company counsel, Messrs. Sinkler Gibbs & Simons, as bond counsel, and Gary T. Pope, Esq., as Issuer's counsel, favorable opinions satisfactory to you to the effect set forth in Exhibits E, F and G, respectively, to this Agreement.

6.2 Warranties and Representations True as of the Closing Date. The warranties and representations of the Issuer contained in Sections 4 and 5 hereof, and the warranties and representations of the Company contained in Sections 3 and 5 hereof, shall be true in all material respects on the Closing Date with the same effect as though made on and as of that date.

6.3 Compliance with this Agreement. The Issuer shall have performed and complied with all agreements and conditions contained herein which are required to be performed or complied with by it on or before the Closing Date; and there shall exist no Event of Default on such date.

6.4 Notes. The Notes shall be executed and delivered by the Company in the form of Exhibit B to this Agreement, with such changes as may have been approved by you.

6.5 Guaranty. The Guaranty shall have been executed and delivered by the Company to you in the form of Exhibit C to this Agreement, with such changes as may have been approved by you and the Company, and on the Closing Date shall be in full force and effect.

6.6 Filings. Uniform Commercial Code financing statements shall have been duly filed with respect to the contract rights referred to in the assignment, in all



appropriate offices in the State of South Carolina, and all other recordations and filings appropriate or required by law in order fully to perfect, preserve and protect the lien of the assignment and the rights of the Bondholders pursuant to the assignment shall have been performed.

6.7 No Litigation. No litigation or proceeding shall be threatened or pending in any court or other official body (i) to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) which in any way questions or affects the validity of any of the Bonds, any provisions thereof, this Agreement, the Notes or the Guaranty, or any proceedings taken with respect to the foregoing, (iii) which questions the Issuer's creation, organization or existence or the title to office of any of its officers, or its powers to make the Loan or finance the Project or (iv) which in any way questions or affects the exemption from Federal Taxation or exemption from taxation in the State of South Carolina of interest on the Bonds.

6.8 Certifications. You shall have received (i) a certificate dated the Closing Date signed by an appropriate official of the Issuer certifying, as to the Issuer, that the conditions specified in Sections 6.2, 6.3, 6.6, 6.7 and 6.9 have been fulfilled, and (ii) an Officer's Certificate dated the Closing Date certifying, as to the Company, that the conditions specified in Sections 6.2, 6.4, 6.5, 6.6 and 6.7 (i) and (ii) have been fulfilled.

6.9 Ordinance; Approvals. Prior to the issuance and sale of the Bonds the Ordinance shall have been adopted by the County Board and be in full force and effect on, and shall not have been modified as of, the Closing Date. Prior to the issuance and sale of the Bonds the State Budget and Control Board of South Carolina shall have approved the issuance of the Bonds by the Issuer and notice of such approval shall have been published at least once in a newspaper having general circulation in Newberry County, South Carolina, and shall not have been challenged as to its validity by an action de novo in the Court of Common Pleas in the county for a period of 20 days from the date of publishing so that such approval shall be in full force and effect on the Closing Date.

6.10 Proceedings Satisfactory. All proceedings taken or to be taken in connection with the issue and sale of the Bonds, and the execution and delivery of this Agreement and all documents and papers relating thereto shall be

satisfactory to you and Messrs. White & Case. You and Messrs. White & Case shall have received copies of such documents and papers as you or Messrs. White & Case may reasonably request in connection therewith, all in form and substance satisfactory to you and such counsel.

6.11 Tax Matters. None of the following events shall have occurred between the date hereof and the Closing Date:

(1) legislation shall have been enacted by the Congress or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House by any committee thereof to which such legislation has been referred for consideration, or

(2) a decision shall have been rendered by any court of the United States, or

(3) an order, ruling, regulation or official statement shall have been made by the Treasury Department of the United States or the Internal Revenue Service,

with the purpose or effect, directly or indirectly, of imposing Federal income taxation upon any of the revenues or other income which would be derived by the Issuer under this Agreement or any of the interest payments which would be received by you or your transferees or assigns as the holder of any of the Bonds.

6.12 Arbitrage. You shall have received certificates, in form satisfactory to Messrs. White & Case, dated the Closing Date, of the appropriate officers of, respectively, the Issuer and the Company setting forth that it is not expected that the proceeds from the Bonds will be used in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code. The arbitrage certificate of the Issuer may be based in part (as to certain factual matters) upon the arbitrage certificate of the Company.

6.13 Commitment Fees. ^ The Company shall have paid to Bankers Trust Company and The South Carolina National Bank, as a commitment fee, an amount equal to 1/2 of 1% per annum (on the basis of a 360-day year, on actual days elapsed) of the amount of their commitments to the Company,

such fee to accrue from August <sup>26</sup>, 1980 for Bankers Trust Company and from October 10, 1980 for South Carolina National Bank to the Closing Date.

SECTION 7. PREPAYMENT OF BONDS.

7.1 Prepayment by Issuer. The Bonds may not be called for prepayment except as expressly provided in this Section 7. The Issuer agrees that it shall make a prepayment of the Bonds as provided for in this Section 7 at each time the Company shall make a payment with respect to the Loan as provided in this Section 7. In the event of any prepayment by the Issuer under this Section 7, such prepayment shall be made by the Company, on behalf of the Issuer, directly to the holders of the Bonds. The Issuer shall have no liability to the holders of the Bonds with respect to any actions taken by the Company on its behalf pursuant to this Section 7. Notwithstanding any provision contained in this Section 7, upon payment in full of all Bonds outstanding (including interest accrued thereon and premium, if any, applicable thereto) the obligations of the Issuer hereunder shall terminate and be of no further force and effect.

7.2 Required Prepayments. (a) The Issuer covenants that, as long as any of the Bonds remain outstanding, on January 15, April 15, July 15, and October 15 in each year commencing with April 15, 1983, it will prepay \$265,625 principal amount of Bonds, at 100% of the principal amount, plus interest accrued to the date of payment on the principal outstanding, and the Company covenants that the Company shall make a corresponding prepayment of the Loan.

(b) In addition, to the extent the proceeds of the Bonds exceed the cost of the Project, the Issuer shall prepay, at 100% of the principal amount, on the first interest payment date subsequent to the Completion Date a principal amount of the Bonds equal to such excess.

7.3 Option to Prepay. The Bonds are subject to prepayment, at the option of the Issuer, at any time, either in whole or in part in multiples of \$100,000, at 100% of the principal amount.

The option of the Issuer to prepay the Bonds referred to above shall be exercised by the Issuer only upon the exercise by the Company of the option (which option is hereby granted) to prepay a like principal amount of the



Loan by payment of an amount equal to the amount of principal prepaid plus interest accrued on that principal amount being prepaid to the prepayment date.

If the Bonds are prepaid in part pursuant to this Section 7.3 or pursuant to paragraph (b) of Section 7.2, the portion of the prepayment price representing the principal amount of the Bonds so prepaid shall be applied to reduce the payments due pursuant to paragraph (a) of Section 7.2 hereof in inverse chronological order of their due dates.

7.4 Notice of Prepayment. The Company, on behalf of the Issuer, shall cause notice of any prepayment of the Bonds pursuant to paragraph (b) of Section 7.2 or Section 7.3 hereof to be sent in the name of the Issuer by first class mail, postage prepaid, to the Issuer and to the holder of each Bond to be prepaid at its address as it appears on the registration books not less than 10 nor more than 30 days prior to the prepayment date.

On the prepayment date, the Company shall cause funds to be delivered to each Bondholder sufficient to pay the principal of and premium, if any, on the Bonds held by such holder or portions of principal thereof called for prepayment and accrued interest thereon to the prepayment date. Upon the payment of the principal thereof the Bonds or portions of principal thereof thus called for prepayment shall cease to bear interest from and after the prepayment date.

7.5 Pro Rata Payment; Endorsement of Prepayments. If less than the entire principal amount of all the Bonds outstanding is to be prepaid at any time, the Company, on behalf of the Issuer, will allocate the principal amount to be prepaid among all the Bondholders in the following manner: There shall be allocated to each Bondholder upon such prepayment, as nearly as practical, the same proportion of such prepayment as the unpaid principal amount of the Bond held by such Bondholder bears to the aggregate unpaid principal amount of all Bonds then outstanding, and to the extent that any proportionate allocation shall not result in an even multiple of \$1,000, adjustment shall be made in the proportionate prepayments to the nearest even multiple of \$1,000. All partial prepayments of principal shall be endorsed by the Bondholder on the Table of Prepayments appearing on each Bond prior to any transfer of such Bond.

SECTION 8. BOND INTEREST RATE AND INDEMNIFICATION  
UPON OCCURRENCE OF AN EVENT OF TAXABILITY.

8.1 Bond Interest Rate. The Bonds shall bear interest on the unpaid balance thereof from the date thereof until January 15, 1991 at a rate per annum (calculated on the basis of a 360-day year on the actual days elapsed) of 63% of the Prime Lending Rate for the period from the Closing Date to January 15, 1983; 65% of the Prime Lending Rate, for the period from January 15, 1983 to January 15, 1987 and 67% of the Prime Lending Rate for the remaining life of the Bonds, payable quarterly, on January 15, April 15, July 15, and October 15 in each year. Any overdue installments of principal and, to the extent legally enforceable, overdue installments of interest shall bear interest at a rate of one percent (1%) in excess of the applicable interest rate per annum.

8.2 Bond Interest Rate Upon an Event of Taxability. Notwithstanding Section 8.1, if an Event of Taxability shall have occurred, then the Bonds shall bear interest on the unpaid balance thereof from and after the date of the Event of Taxability at a rate per annum (calculated on the basis of a 360-day year on the actual days elapsed) of 112% of the Prime Lending Rate.

8.3 Tax Indemnification Upon an Event of Taxability. (a) The Company covenants to pay as an indemnity to each holder and former holder of a Qualified Bond (and to notify each holder and former holder of a Qualified Bond of such payments):

(i) a sum equal to the excess of (A) the amount which would have been payable as interest on such Bond for the Inclusion Period with respect to such Bond if such Bond had borne interest during such period at the rate of 112% of the Prime Lending Rate over (B) the interest actually accrued and received with respect to such Bond during such period; and

(ii)(A) an amount which (after deduction of all taxes, fees or other charges required to be paid by the holder or former holder of such Qualified Bond in respect to the receipt of such amount under the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein) will be equal to any interest, penalties or additions

to Federal income tax, not deductible for Federal income tax purposes, which are payable by the holder or former holder of such Qualified Bond with respect to such Qualified Bond in connection with the occurrence of the Event of Taxability, plus

(B) the amount of any interest, penalties or additions to Federal income tax, deductible for Federal income tax purposes, which are payable by the holder or former holder of such Qualified Bond in connection with the occurrence of the Event of Taxability.

(b) For the purposes of the preceding clause (ii) of paragraph (a), the amount of interest, penalties or additions to Federal income tax which are payable by the holder or former holder of any Qualified Bond shall be computed without regard to any reduction in such amount payable by reason of any set-off, carry-over, carry-back, credit or loss or gain, or otherwise, which may be available to such holder or former holder.

(c) The covenants made by the Company and its obligations under paragraphs (a) and (b) of this Section 8.3 shall survive the termination of this Agreement, the payment in full of the Bonds, and the discharge or termination of the Issuer's obligations with respect to the Bonds.

8.4 Unconditional Obligations. The Company hereby agrees that its obligations upon the occurrence of an Event of Taxability as provided in Sections 8.2 and 8.3 hereof shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever and shall not be subject to set-off, recoupment or counterclaim.

#### SECTION 9. SPECIAL COVENANTS OF THE COMPANY AND THE ISSUER.

9.1 Assignment of Rights. The Issuer hereby assigns to you for the benefit of the holders of the Bonds from time to time outstanding all right, title and interest of the Issuer in and to the payments to be made by the Company on account of the Loan as evidenced by the Notes and all of the Issuer's rights against the Company under this Agreement, except for its rights pursuant to Sections 2.3, 9.6 and 9.7 hereof. Pursuant to this Section, the Issuer hereby assigns to each Purchaser, a Note of the Company in



principal amount corresponding to the amount of each Bond delivered at the Closing. The Company assents to such assignment.

9.2 Unconditional Obligations. The Company hereby agrees that its obligations to repay the Loan as provided in Section 2.2 hereof and to pay such amounts as shall be required to be paid to the Issuer by Sections 2.3 and 9.6 hereof shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever and shall not be subject to set-off, recoupment or counterclaim. The Company shall be obligated to make said payments whether or not the Project has become functional and whether or not the Project has ceased to exist or to be functional to any extent from any cause whatsoever; and the Company shall be obligated to make said payments regardless of whether the Company is in possession or is entitled to be in possession of the Project. Without in any way limiting the generality of the foregoing, such obligations shall not be affected by (a) any exercise of any remedy by the Issuer under Section 13 hereof, (b) termination of this Agreement in part or in whole or diminution or elimination of any of the Company's rights hereunder by judicial decree, legislative enactment or otherwise, (c) failure of consideration or title, (d) frustration of commercial purpose, (e) condemnation, destruction or damage to the Project or other property of the Company, (f) changes of law or regulation, (g) any change in tax or other laws of the United States of America or State of South Carolina or any political subdivision of either by judicial interpretation or otherwise, or (h) inability or failure of the Issuer or Bondholder to perform any obligation hereunder. If for any reason, the amounts paid to the holders of Bonds in satisfaction of the Loan would not be sufficient to make the payments of principal, premium, if any, and interest due on the Bonds, then the Company will pay the amounts required from time to time to make up any such deficiency. Except as otherwise expressly provided herein, the Company's other obligations under this Agreement shall likewise be unconditional, binding and enforceable in all circumstances whatsoever.

9.3 Special Obligations. Notwithstanding anything herein to the contrary, all covenants and agreements contained in this Agreement on behalf of the Issuer shall be subject to the provisions of this Section 9.3. The Bonds and any obligations hereunder shall not be deemed to constitute a pledge of the full faith and credit of the Issuer,

but shall be limited obligations of the Issuer, the principal of, and premium, if any, and interest on, which are payable solely from the amounts to be derived by the Issuer pursuant to this Agreement and from no other source. The Bonds shall never constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation of the State of South Carolina and shall never constitute or give rise to a pecuniary liability of the Issuer, or a charge against its general credit or taxing powers.

9.4 Issuer Not to Own, Possess or Operate Project. The Issuer shall have no ownership or possessory interest in the Project under this Agreement, and nothing herein shall be construed to require or authorize the Issuer to operate the Project or conduct any business enterprise therewith under any circumstance.

9.5 Use of the Project, Governmental Charges and Expenses of Operation, Maintenance and Upkeep. (a) The Company represents to the best of its knowledge (i) that as of the date hereof the Project is not in material violation of any applicable subdivision, zoning, building, environmental protection, sanitary, safety or other land use laws, rules and regulations and (ii) that no activity the Company is conducting in the Project is a nuisance under applicable law. The Company covenants that it will use its best efforts to comply with such legal requirements in its completion, operation and use of the Project after the date hereof.

(b) The Company agrees that it will operate and maintain the Project at all times at its own expense so that the Project and all other facilities necessary or incidental thereto shall be kept in good repair and in good operating condition, subject to ordinary wear and tear and obsolescence.

(c) The Company will pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed by the Company therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income, revenues or receipts of the Issuer from this Agreement, or which will constitute a charge on the income, revenues and receipts from this Agreement). In addition, the Company



will pay all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the term of this Agreement.

The Company may in good faith, at its expense and in its own name, contest any such taxes, assessments and other charges; however, if the nonpayment of any such items associated with any such contest or appeal therefrom cause the Project or any part thereof to be subject to loss or forfeiture, such taxes, assessments or charges shall be paid promptly; provided, however, that nothing contained herein shall obligate the Company to continue to operate the Project should the Company decide to do otherwise.

9.6 Company's Duty to Indemnify. The Company shall indemnify and save harmless the Issuer and the Bondholders (in their capacity as purchasers or holders of the Bonds) against and from (1) any and all claims by or on behalf of any person arising from any cause whatsoever in relation to the Project, either as an activity or as an industrial facility, (2) any and all claims arising from any act or omission of the Company or any of its agents, contractors, servants, employees, or licensees with respect to the Project or to this Agreement, (3) any and all claims arising from the offering, issuance or sale of the Bonds in accordance herewith, and (4) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or action or proceeding brought thereon. In case any action or proceeding be brought against the Issuer or any Bondholder by reason of any such claim, the Company upon notice from the Issuer or such Bondholder, shall resist or defend such action or proceeding. Subject to the foregoing, the Issuer and the Bondholders shall cooperate and join with the Company as may be required in connection with any action taken or defended by the Company. Any right to indemnity which the Issuer or any Bondholder may have under this Section 9.6, whether or not a claim is made against it, shall also extend to its members, directors, officers, employees or agents. In addition, if in the course of any proceeding involving the Issuer under any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt,



dissolution or liquidation law, any court shall require any holder of a Bond to repay to the Issuer, or to such court, any receiver, liquidator, trustee or other similar official appointed for the Issuer or its property pursuant to any such law, any amount received by such holder in payment of any portion of the principal of, premium or interest on such Bond, the Company shall, within 10 days of receipt of a written request therefor, reimburse such holder in full for any amount so required to be repaid.

9.7 Protection for Issuer. (a) No failure by the Issuer to perform any of its agreements hereunder shall impose any pecuniary liability upon the Issuer or any charge upon its general credit or against its taxing power, but such performance may be enforced by mandamus or by the appointment of a receiver in equity with such powers as may be necessary to enforce such obligations, all as provided in Section 4-29-40 of the Act.

(b) The Issuer shall at all times cooperate with the Bondholders and use its best efforts to assist the Bondholders in obtaining full and timely payment of the Bonds.

(c) No consent, approval or other concurrence required from the Issuer hereby shall be unreasonably withheld; but, in giving such consent or approval, or in exercising any discretion or in making any determination, the Issuer may consider the interests of the public, as well as the interests of the Company and the Bondholders; however, nothing in this Agreement shall be construed as conferring on any person other than the Company or the Bondholders any right to notice, hearing or participation in the Issuer's consideration, and nothing in this paragraph (c) shall be construed as conferring on the Company or the Bondholders any right additional to those conferred elsewhere in this Agreement.

(d) No recourse shall be had by the Company or the Bondholders for any claim based on this Agreement or the Bonds against any officer, employee or agent of the Issuer alleging personal liability on the part of such person, unless such claim is based upon the bad faith, fraud or deceit of such person.

9.8 Actions by Issuer. Any action which may be taken by the Issuer hereunder shall be deemed sufficiently

taken if taken on its behalf by the Chairman of the County Council or by any other officer or agent which it may designate from time to time.

9.9 Filings. The Company shall (a) upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purpose of this Agreement, and (b) take all actions that at the time and from time to time may be necessary, including, without limitation, the filing of all financing and continuation statements that may at the time be required under the South Carolina Uniform Commercial Code, to perfect, preserve, protect and secure the interests of the Bondholders in this Agreement. No failure to request such further instruments or further acts shall be deemed a waiver of any right to the execution and delivery of such instruments or the doing of such acts or be deemed to affect the interpretation of any provision of this Agreement.

#### SECTION 10. BUSINESS COVENANTS OF THE COMPANY.

##### 10.1 Affirmative Covenants.

(a) Financial Statements. The Company covenants that, so long as any Bonds are outstanding, it will deliver to each institutional holder of 10% or more in aggregate principal amount of Bonds at the time outstanding, in duplicate: (i) within 45 days after the end of each fiscal quarterly period in each fiscal year statements of income, retained earnings and changes in financial position for the period from the beginning of the current fiscal year to the end of such quarterly period, and a balance sheet as at the end of such quarterly period, signed by an authorized financial officer, (ii) within 90 days after the end of each fiscal year similar statements for such year certified by independent certified public accountants acceptable to each holder of 20% or more of the aggregate principal amount of the Bonds outstanding whose certificate shall be satisfactory to each such holder, (iii) copies of all statements and reports sent to stockholders or filed with the Securities and Exchange Commission, and (iv) such other financial data as any institutional holder of 10% or more in aggregate principal amount of the Bonds at the time outstanding may reasonably request. All financial statements specified in

clauses (i) and (ii) above shall be furnished in consolidated form for the Company and all subsidiaries with comparative figures for the corresponding period in the preceding year. Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to the Bondholders an Officer's Certificate stating that there exists no Event of Default or Default or, if any such Event of Default or Default exists, stating the nature thereof, the period of existence thereof and what action the Company proposes to take with respect thereto. When appropriate, the Company will deliver to the Bondholders, together with the delivery of financial statements required by clause (ii), an opinion of its counsel to the effect that the filing, registration and recordation of any continuation statement necessary or appropriate to preserve and maintain the effectiveness and validity of the assignment shall be made within 12 months following the date of such opinion; and the Company will deliver to the Bondholders, within a reasonable time after the filing, registration and recordation of said continuation statements, an opinion to the effect that such filing, registration and recordation have been properly made. The Company also covenants that forthwith upon the President, any Vice President or the Treasurer or chief financial officer of the Company obtaining knowledge of an Event of Default or Default, it will deliver to Bondholders, an Officer's Certificate specifying the nature thereof, the period of existence thereof, and what action the Company proposes to take with respect thereto.

Any institutional holder to whom financial statements are delivered, is hereby authorized to deliver a copy of any financial statement delivered to it pursuant to this paragraph (a) to any regulatory body having jurisdiction over it.

(b) Inspection of Property; Insurance. The Company covenants that, so long as this Agreement shall remain in effect,

(i) it will permit any Person designated in writing by any holder of any of the Bonds, at the holder's expense, to visit and inspect any of the properties of the Company and its subsidiaries, to examine the corporate books and financial records of the Company and its subsidiaries and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of any of such corporations with the principal officers of the Company, all at such reasonable times and as often as such holder may reasonably request; and



(ii) it and each subsidiary will maintain insurance, covering the Project and any other properties of the Company and its subsidiaries in such amounts and against such liabilities and hazards as customarily is maintained by other companies operating similar businesses and, upon the written request of the holders of a majority of the aggregate principal amount of Bonds outstanding, the Company will deliver to each institutional holder of 10% or more in aggregate principal amount of Bonds outstanding an Officer's Certificate specifying the details of such insurance in effect.

(c) Tax Exemption. The Company covenants that (i) the proceeds of the sale of the Bonds will be used solely for the payment of the cost of the Project and no part of such proceeds will be used to finance inventory or working capital, (ii) it will not permit the use of Bond proceeds, or take or omit to take any other action, so as to cause the loss of tax exemption for interest on the Bonds under the Code, and (iii) it will file with the Internal Revenue Service or any other authorized governmental agency any and all statements or other instruments, if any, required under Section 103 of the Code, including the regulations thereunder, in order that the interest on the Bonds continues to be excludible from the gross income of the Bondholders for Federal income tax purposes.

(d) Expenses. The Company agrees, whether or not the transactions hereby contemplated shall be consummated, to pay, and to save the Purchasers harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including all stamp, intangible personal property and other taxes (together in each case with interest and penalties, if any, and any income tax payable by the Purchasers in respect of any reimbursement therefor) which may be payable in respect of the execution and delivery of the Agreement, the Notes, the Guaranty, or the execution, delivery or acquisition of any Bond, all printing and other reproduction costs, and the reasonable fees and expenses of special counsel for the Purchasers in connection with such transactions and any modification of any agreements and documents. The obligations of the Company under this paragraph (d) shall survive the transfer by the Purchasers and payment of any Bond.

10.2 Negative Covenants. The Company covenants that it will not take any action prohibited by, or omit to

take any action required by Sections 3.2 through 3.12 of the Revolving Credit and Term Loan Agreement, dated as of December 20, 1978, as amended to the date hereof (the "Revolving Credit Agreement"), among the Company, Morgan Guaranty Trust Company of New York, as Agent and the Banks named in Section 2.1 thereof (beyond any period of grace permitted therein), whether or not such action or inaction shall be waived pursuant to Section 6.9 of the Revolving Credit Agreement. Sections 3.2 through 3.12 of the Revolving Credit Agreement as in effect on the date hereof are hereby incorporated by reference as if set forth in full herein. No subsequent amendment of Sections 3.2 through 3.12 of the Revolving Credit Agreement by the parties thereto shall be deemed to be an amendment of this Agreement unless such amendment shall also have been approved by each holder of 20% or more of the aggregate principal amount of the Bonds at the time outstanding pursuant to Section 15.1.

#### SECTION 11. INDENTURE.

(a) If you propose to sell or otherwise transfer Bonds (other than to an institutional investor which controls, or is controlled by, or is under common control with, you) so that thereafter there will be more than three holders of Bonds, the Issuer may in its discretion and with the consent of the Company, and shall, as soon as reasonably possible after the receipt, at any time after 90 days from the Closing Date, of a written request from either of you, execute and deliver to Bankers Trust Company, as Trustee, an Indenture of Trust (hereinafter called the "Indenture"), providing for the exchange thereunder of Bonds issued pursuant to this Agreement for bonds in the definitive forms of registered bonds without coupons, or (to the extent permitted by law) bearer bonds without coupons, in denominations of \$150,000 or any greater multiple or multiples of \$1,000 (herein called the "Exchange Bonds"), equal in aggregate principal amount to the aggregate principal amount of Bonds outstanding and unpaid at the time of the execution of the Indenture. The Exchange Bonds shall have the rights provided in Section 11(c) hereof, and in all other respects shall be substantially similar to, and have substantially all the rights and privileges carried by, the Bonds.

Any action taken by the Issuer pursuant to this Section 11 shall be taken by the Issuer as soon as practicable (as determined by the Issuer) after such written

request from you; however, no such action under this Section 11 shall be required to be taken without the approval of counsel chosen by the Issuer (which approval shall not be unreasonably withheld).

(b) In connection with the execution of the Indenture you shall assign to the Trustee under the Indenture, to be held by the Trustee for the benefit of the holders of the Bonds, all of the rights of the Issuer assigned to you pursuant to this Agreement, and in that connection will execute and deliver all such instruments and documents and will deliver all such showings as may be deemed necessary or appropriate by you and by Messrs. White & Case (hereinafter referred to in this Section 11 as "Independent Counsel").

(c) The Indenture and the Exchange Bonds to be issued thereunder shall, insofar as may be appropriate, respectively embody the substance of all covenants, conditions and provisions of this Agreement and the Bonds, together with such other provisions as may be desirable (not inconsistent with the provisions of this Agreement, the Ordinance and the Bonds) and as are usually contained in indentures providing for tax-exempt bonds of comparative aggregate principal amount and maturity, or are usually contained in such tax-exempt bonds. The Indenture and the Exchange Bonds shall be, respectively, in form and substance satisfactory to you, the Company, the Issuer and Independent Counsel and in such form as may be necessary to comply with any applicable recording or other statutes and with any rules or regulations thereunder and with the decisions of Federal and state courts. The Exchange Bonds shall be issuable in definitive form as registered bonds without coupons or (to the extent permitted by law) as bearer bonds without coupons, in denominations of \$150,000 or any greater integral multiple or multiples of \$1,000. Exchange Bonds may also be issuable in temporary form.

(d) At the time of the execution of the Indenture, Independent Counsel shall furnish to you, the Company, the Issuer and the Trustee under the Indenture an opinion to the effect that (i) the Indenture and the Exchange Bonds are in form in compliance with this Section 11, (ii) the Indenture has been duly authorized, executed and delivered by the Issuer and is a valid and legally binding instrument enforceable against the Issuer in accordance with its terms, (iii) the Indenture (or a financing statement or similar notice thereof if and to the extent permitted or required by



applicable law) has been properly recorded or filed for record in all public offices in which recording or filing is necessary to perfect the lien and security interest provided by the Indenture as a valid first lien on and security interest in the rights assigned pursuant to Section 9.1 of this Agreement, (iv) the remedies provided therein are enforceable in accordance with their terms (except as such remedies may be limited by bankruptcy laws, or by similar laws relating to or affecting the enforcement of the Indenture which do not, in the opinion of such Independent Counsel, materially interfere with the practical realization of the benefits provided by the Indenture for Exchange Bonds outstanding thereunder or make inadequate the remedies necessary for such realization), (v) the Exchange Bonds have been duly authorized, and when executed, authenticated and delivered as herein and in the Indenture provided, will constitute legal, valid and binding obligations of the Issuer in accordance with their terms and will be entitled to the benefits of the Indenture, as aforesaid and (vi) the Exchange Bonds will be exempt from Federal income taxation to the same extent that the Bonds are so exempt immediately prior to the issuance of the Exchange Bonds. In the event that the Issuer requests the creation of the Indenture pursuant to paragraph (a) of this Section 11, or the Exchange Bonds are issued pursuant to this Section 11 upon your request, the Company will bear all the reasonable expenses of creating the Indenture and issuing the Exchange Bonds thereunder, including taxes (other than taxes imposed on you or your transferee solely by reason of your transfer of any of the Bonds or Exchange Bonds to a subsequent holder thereof) and the reasonable fees and disbursements and expenses of Independent Counsel, the Issuer and counsel for the Issuer; provided, however, that unless otherwise agreed to by the Company, the Indenture shall be typewritten.

(e) Thereafter, upon surrender of any Bond by the holder thereof, the Issuer will, without charge to the holder thereof, deliver to or upon the order of such holder, in exchange therefor, Exchange Bonds, in the same aggregate unpaid principal amount as the Bond surrendered, in such authorized form and denomination as such holder may elect, and bearing interest from the date to which interest shall have been paid on the Bond so surrendered.

SECTION 12. TRANSFER, EXCHANGE AND SUBSTITUTION  
OF BONDS.

12.1 Transfer of Bonds; Persons Treated as Owners. The Treasurer of the Company shall act as Bond Registrar and shall maintain registration books for the registration of transfer of the Bonds. The transfer of the Bonds may be registered only upon the books kept for the registration and registration of transfer of the Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer the Issuer shall execute and deliver in exchange for any such Bond a new Bond or Bonds without coupons, registered in the name of the transferee, in the denomination of \$150,000 or any greater integral multiple of \$1,000.

The Bond Registrar shall not be required to make any such registration of transfer during the 5 days immediately preceding any date for the payment of interest or the payment or prepayment of principal. Prior to registration of transfer the Issuer and the Company shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

12.2 Exchange of Bonds. The Bonds, upon surrender thereof at the principal office of the Issuer may, at the option of the registered owner thereof, be exchanged for another Bond or Bonds of any authorized denomination aggregating the unpaid principal amount of the Bond or Bonds to be exchanged. The Issuer shall notify the Company of any such exchange.

Except as otherwise provided by paragraph (e) of Section 11 hereof, the Issuer may impose a charge upon any subsequent Bondholder for every such transfer or exchange of Bonds sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

12.3 Mutilated, Lost or Destroyed Bonds. Should any Bond become mutilated or be lost or destroyed, the Issuer shall cause to be executed, and shall deliver, a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in

lieu of and in substitution for such lost or destroyed Bond. The Issuer shall notify the Company of any such exchange or substitution. If such Bond shall have matured, instead of issuing a new Bond the Issuer may cause the Company to pay the same without surrender thereof. Such new Bond shall be executed and delivered or such matured Bond shall be paid without surrender only when the registered owner has paid the reasonable expenses and charges of the Issuer in connection therewith and, in the case of a lost or destroyed Bond, has filed with the Issuer and the Company if requested by either of them evidence satisfactory to it that such Bond was lost or destroyed and that such person was the owner thereof and the holder has furnished to the Issuer and the Company indemnity satisfactory thereto (provided that if either you or your nominee is the holder of the Bond, your own agreement of indemnity shall be deemed to be satisfactory).

SECTION 13. DEFAULT PROVISIONS AND REMEDIES  
OF BONDHOLDERS.

13.1 Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an Event of Default:

(a) default in the due and punctual payment of interest on any Bond or in a corresponding payment in respect of the Loan, when such interest or payment shall become due and payable and the continuation of such default for a period of 10 days or more; or

(b) default in the due and punctual payment of the principal of or premium, if any, on the Bonds or in a corresponding payment in respect of the Loan, or portion of either thereof, whether upon stated maturity of the Bonds, or upon mandatory or optional prepayment thereof, or upon the maturity thereof by acceleration; or

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Agreement or in the Bonds contained, and such Default shall continue for a period of 30 days after written notice thereof shall have been received by the Issuer and the Company from any Bondholder; or

(d) the Company fails to perform or observe any covenant or agreement contained in the Guaranty; or



(e) the Company defaults in the performance or observance of any agreement, term or condition contained herein and such default shall not have been remedied within 30 days after written notice thereof shall have been received by the Company from any Bondholder; or

(f) any warranty, representation or other written statement made on behalf of the Issuer or the Company contained herein or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect on the date as of which made; or

(g) the Company or any subsidiary defaults in any payment of principal of or interest on any other obligation for money borrowed or any obligation under any conditional sale or other title retention agreement or any obligation issued or assumed as full or partial payment for property whether or not secured by purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit in a principal amount exceeding \$250,000 beyond any period of grace provided with respect thereto or defaults in the performance of any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other default under any such agreement shall occur and be continuing) if the effect of such default is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due prior to its stated maturity; or

(h) the Company fails to pay within 90 days of the date when due any material obligation with respect to the purchase of goods, except when such failure to pay is being contested by the Company in good faith; or

(i) the Company shall have commenced a voluntary case under any Bankruptcy law; the Company shall have applied for or consented to the appointment of, or the taking of possession by a receiver, trustee, assignee, custodian or liquidator of all or a substantial part of its assets; the Company shall have failed, or admitted in writing its inability generally, to pay its debts as such debts become due; the Company shall have made a general assignment for the benefit of creditors; the Company shall have been adjudicated a bankrupt, or shall have filed a petition or an answer seeking an arrangement with creditors; the Company

shall have sought relief from its obligations under any insolvency law, or shall have submitted an answer admitting the material allegations of a petition in bankruptcy or insolvency proceeding; or an order, judgment or decree for relief in respect of the Company shall have been entered and not stayed for a period of sixty (60) days in an involuntary case, without the application, approval or consent of the Company by any Court of competent jurisdiction approving a petition seeking reorganization of the Company, or appointing a receiver, trustee, assignee, custodian or liquidator for the Company, or a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of forty-five (45) consecutive days; the Company shall have filed a voluntary petition in bankruptcy; or the Company shall have failed to remove an insolvency petition in bankruptcy filed against it within forty-five (45) days of the following thereof; or

(j) the entering of an order or decree, with the consent or acquiescence of the Issuer, appointing a receiver or receivers in respect to Bond payments or other payments required to be made by the Company hereunder, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within ninety (90) days after the entry thereof; or

(k) the commencement of a case, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition or adjustment of debts of the Issuer pursuant to any Federal or state statute now or hereafter enacted, if the payments required to be made by the Company hereunder are deemed to be property of the Issuer and the claims of any creditors of the Issuer (other than the Bondholders) are under any circumstances payable from such payments.

13.2 Acceleration. If an Event of Default under Section 13.1 has occurred and is continuing, any holder of 20% or more of the aggregate principal amount of the Bonds then outstanding may, by notice to the Issuer and the Company, declare the entire unpaid principal of, premium, if any, and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of, premium, if any, and interest on the Bonds shall forthwith become due and payable; provided that during the existence of an Event of Default described in Section 13.1(a) or 13.1(b) and irrespective of whether the holder or holders of 20% or more of the principal amount of the Bonds then outstanding



have declared all the Bonds to be due and payable pursuant to this Section 13.2, any holder of Bonds who or which has not consented to any waiver with respect to such Event of Default may, at his or its option, by notice in writing to the Issuer and the Company, declare the Bonds then held by such holder to be, and such Bonds shall thereupon become, forthwith due and payable together with all interest accrued thereon. The Issuer covenants that upon any such declaration it will forthwith pay to the Bondholders or Bondholder, as the case may be, the entire unpaid principal of, premium, if any, and accrued interest on the Bonds or the Bond, as the case may be, but only from the revenues and receipts herein specifically payable by the Company in respect of the Loan for such purpose. Upon any such declaration of acceleration a corresponding amount with respect to the Loan shall be immediately due and payable.

13.3 Other Remedies; Rights of Bondholders. If an Event of Default has occurred and is continuing, any holder of 20% or more of the aggregate principal amount of the Bonds then outstanding may proceed to protect and enforce the rights of the holders of the Bonds as assignees of the rights of the Issuer under this Agreement as provided herein and may proceed to enforce their rights by mandamus or other suit, action or proceeding at law or in equity for specific performance of any agreement herein, including the right to bring suit for collection of the balance due on the Loan.

No remedy by the terms of this Agreement conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

13.4 Termination of Proceedings. In case the Bondholders shall have proceeded to enforce any right under



this Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bondholders, then in every such case the Issuer, the Company and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bondholders shall continue as if no such proceedings had been taken.

13.5 Waivers of Events of Default. Subject to the proviso contained in paragraph (a) of Section 13.7 hereof, any holder of 20% or more of the aggregate principal amount of the Bonds then outstanding may, in its discretion, waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on its Bonds and the corresponding declaration with respect to the Loan. Prior to such waiver or rescission, the holders of all the Bonds outstanding shall be entitled to receive payment of all arrears of interest, with interest (to the extent permitted by law) at the Bond interest rate then in effect on any overdue installments of principal or premium in respect of which such Event of Default shall have occurred, and all reasonable expenses of the Bondholders in connection with such Event of Default.

13.6 Company May Act for Issuer. With regard to any alleged Default referred to in this Section 13, the Issuer hereby grants (to the extent permitted by law) the Company full authority for the account of the Issuer to perform any covenant, condition or agreement the nonperformance of which is alleged to constitute a Default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

13.7 Remedies of the Issuer.

(a) The right of the Issuer to declare amounts in respect of the Loan to be immediately due and payable pursuant to Section 13.2 hereof or to exercise any other remedy with respect to the Loan shall be exercisable only at such time and to such extent as comparable remedial action shall have been taken pursuant to this Section 13 by a Bondholder or the Bondholders with respect to the Bonds and the exercise of any such right shall be subject to termination or waiver to the extent the Bondholders elect to

terminate any proceedings or waive any Event of Default pursuant to Section 13.4 or 13.5 hereof; provided, however, that the exercise by any Bondholder of the right granted by the proviso of Section 13.2 hereof shall not be subject to termination or waiver other than by said Bondholder.

(b) Notwithstanding paragraph (a) of this Section 13.7, the Issuer may take any action at law or in equity to enforce the obligations of the Company pursuant to Sections 2.3, 9.6 and 9.7 of this Agreement.

#### SECTION 14. DEFINITIONS.

As used herein, the terms hereinafter set forth shall have the following meanings:

(a) "Act" shall mean Title 29, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended.

(b) "Bond" or "Bonds" shall mean the Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) of the Issuer issued pursuant to this Agreement.

(c) "Company" shall mean Federal Paper Board Company, Inc., a New York corporation, and its successors and assigns.

(d) "Default" shall mean an event the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default under this Agreement.

(e) "Event of Default" shall mean any event specified as such in Section 13.1 of this Agreement which has continued for the period of time, if any, therein designated.

(f) "Event of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a written notice of deficiency which asserts in effect that the interest on the Bonds is includible in the gross income of a holder or former holder thereof, other than for a period during which such holder or former holder is or was a "substantial user" of the Project or a "related person" as such terms are defined in the Internal Revenue Code of 1954, as amended (the

"Code"), or (ii) the delivery to the Bondholders, the Company and the Issuer of a written opinion of nationally recognized bond counsel, reasonably satisfactory to any holder of 20% or more of the aggregate principal amount of the Bonds at the time outstanding and the Company, to the effect that such interest is so includible. The Company will promptly notify the Trustee, if any, and each holder of Bonds in writing of the existence of an Event of Taxability.

(g) "Guaranty" shall mean the Guaranty and Indemnification Agreement entered into between the Company and the Purchasers on even date herewith.

(h) "Holder" or "Bondholder", with respect to the Bonds, shall mean the registered owner thereof.

(i) "Inclusion Period", with respect to any Qualified Bond, means the period beginning on the Taxable Date with respect to such Bond and ending on the date of redemption, transfer or maturity of such Qualified Bond, or the date of the Event of Taxability (whichever occurs first).

(j) "Issuer" shall mean Newberry County, South Carolina.

(k) "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, the filing of any financing statement under the Uniform Commercial Code of any state or other jurisdiction and the subordination of any claim or right owned by the Company or any subsidiary to any claim or right owned by any other Person).

(l) "Officer's Certificate" shall mean a certificate signed in the name of the Company by its President, one of its Vice Presidents or its Treasurer.

(m) "Person" shall mean an individual, corporation, partnership, trust, estate or unincorporated organization, and a government or agency or political subdivision thereof.

(n) "Project" shall mean the sawmill facilities acquired, constructed and installed and to be acquired, constructed and installed at the Company's Plant which are described in Exhibit D hereto.



(o) "Prime Lending Rate" shall mean the rate as announced by Bankers Trust Company from time to time at its principal office as its prime lending rate for domestic commercial loans; any change in the interest rate resulting from a change in the Prime Lending Rate shall be effective on the effective date of each change in the Prime Lending Rate announced by Bankers Trust Company at its principal office.

(p) "Qualified Bond" shall mean any Bond, interest of which is paid on or after a Taxable Date whether or not such Bond has been redeemed, has matured or has been transferred on or after such Taxable Date.

(q) "Securities" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

(r) "Subsidiary" shall mean any corporation organized under the laws of any State of the United States of America, Canada, or any Province of Canada, which conducts the major portion of its business in the United States of America or Canada, and all of the outstanding voting stock of every class of which, except directors' qualifying shares, shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries, and shall also include any DISC. "DISC" shall mean a Subsidiary which is a domestic international sales corporation as defined in §992(a)(1) of the United States Internal Revenue Code.

(s) "Taxable Date" shall mean, with respect to each holder or former holder of a Qualified Bond, the earliest effective date as of which the amounts paid or payable in respect to the stated interest on such Bond are determined to be includible in the gross income of such holder or former holder of such Bond (other than any holder who is a "substantial user" of the Project or a "related person" as such terms are defined in the Code), according to either an opinion of counsel or a notice as each are described in the definition of Event of Taxability.

## SECTION 15. AMENDMENT.

15.1 Amendment of this Agreement. The provisions of this Agreement shall constitute a contract by the Issuer, the Company and the holders of the Bonds. Amendments, changes and modifications (herein called "amendment" or "amendments") of this Agreement or of the rights and obligations of the Issuer, the Company or of the holders of the Bonds shall be made only as provided in this Section 15.

Notice of any proposed amendment shall be given to each Bondholder at its address as it appears on the registration books. Any such notice shall include a copy of the proposed amendment.

The written consent or approval of the Issuer and of each holder of 20% or more of the aggregate principal amount of the Bonds then outstanding shall be required to any proposed amendment of this Agreement; provided, however, that nothing in this Agreement shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of, or premium, if any, on any Bond or the rate of interest thereon, or (c) an extension of time for, or a reduction in amount of, any prepayment required that may be applicable to any Bonds or any other change in the provisions of Section 7 hereof, or (d) any change in the covenant and agreement of the Company to pay to the Issuer amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due, or (e) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (f) a reduction in the aggregate principal amount of Bonds required to consent to or approve such amendment, without the written consent of the holders of all of the Bonds then outstanding.

15.2 Effect of Amendment. If the requisite Bondholders shall have consented to or approved any amendment of this Agreement as herein provided, no subsequent holder of the Bonds shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin the Issuer from taking any action pursuant to the provisions thereof. Upon the consent to or approval of any amendment of this Agreement by the Bondholders and the Issuer as in this Section 15 permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith, provided, however, that any amendment to this Agreement which affects any rights or obligations of the Company shall not become effective until the Company shall have consented in writing thereto.

#### SECTION 16. DEFEASANCE.

If, when the Bonds shall have become due and payable in accordance with their terms or otherwise as provided

in this Agreement or shall have been duly called for prepayment and provision shall be made for the payment in full of all Bonds outstanding (including interest accrued thereon and premium, if any, applicable thereto) and shall also be made for paying all other sums payable hereunder, then the Bondholders shall surrender the Bonds to the Bond Registrar, and the Issuer shall, at the expense of the Company, execute and deliver to the Company such instruments in writing as shall be requisite to evidence satisfaction in full of the Loan. Upon payment in full of all Bonds outstanding (including interest accrued thereon and premium, if any, applicable thereto) and satisfaction in full of the Loan and payment of all other sums payable hereunder, all the covenants and obligations of the Company hereunder, except as provided in Sections 8.3, 8.4, 9.6, 17.2 and 17.3, shall terminate and be of no further force and effect.

#### SECTION 17. MISCELLANEOUS.

##### 17.1 Notices.

(a) All communications under this Agreement or under the Bonds shall be in writing and shall be delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

(1) in the case of all communications (except for payments with respect to the Bonds), if to Bankers Trust Company at 280 Park Avenue, New York, New York 10017, Attention: Robert E. Smyth, Vice President; if to The South Carolina National Bank at 1241 Main Street, Columbia, South Carolina 29226, Attention: William T. Hughes, Vice President; and if to Morgan Guaranty Trust Company of New York at 23 Wall Street, New York, New York 10005, Attention: Bernard Hoffmann, Vice President, or at such other address as you may have furnished the Issuer and the Company in writing;

(2) if to the Issuer, at P. O. Box 156, Newberry, South Carolina 29108, Attention: County Administrator, or at such other address as the Issuer may have furnished in writing to you and the Company;

(3) if to the Company, at 75 Chestnut Ridge Road, Montvale, New Jersey 07645, Attention: Corporate Secretary, or at such other address as the Company may have furnished in writing to you and the Issuer; and



(4) if to holders of the Bonds other than you, to their respective addresses as they shall appear on the registration books with respect to the Bonds.

(b) Any notice so addressed and mailed by registered or certified mail shall be deemed to be given when so mailed.

17.2 Home Office Payment. The Issuer and the Company agree that, so long as you shall hold any registered Bond and notwithstanding anything to the contrary contained in the Bonds, or this Agreement, the Issuer and the Company shall, unless and until you shall request otherwise, pay or cause to be paid all sums (except the final payment), including principal, interest and premium, becoming due on the Bonds without surrender or presentation of any of the Bonds to the Issuer or the Company, by crediting, in immediately available funds, such account in the United States as you may designate in writing.

Prior to any sale or other disposition by you of the Bonds you will make a notation on the Bonds of the amount of principal theretofore paid thereon and of the date to which interest thereon has been paid, and will notify the Issuer of the name and address of the transferee of such Bond.

If the Company shall enter into an agreement with any other Bondholder containing a home office payment provision, the Company shall promptly deliver a copy of such provision to the Issuer.

17.3 Issue Taxes. Except as may be otherwise provided in paragraph (d) of Section 11 hereof, the Company will pay all taxes imposed on you, the Company or the Issuer in connection with the issuance and sale of the Bonds to you and in connection with any modification of the Bonds which is made with the consent of the Company, and will save you harmless without limitation as to time against any and all liabilities with respect to all such taxes. The obligations of the Company under this Section 17.3 shall survive the payment or prepayment of the Bonds and the termination of this Agreement.

17.4 Survival. All warranties, representations and covenants made by the Issuer or the Company in any certificate or other instrument delivered by it or on its

behalf in connection with the offering, issue or sale of the Bonds, whether or not referred to in this Agreement, shall be considered to have been relied upon by you and shall survive the delivery to you of the Bonds regardless of any investigation made by you or on your behalf.

17.5 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The provisions of this Agreement are intended to be for the benefit of all holders, from time to time, of the Bonds, and shall be enforceable by any such holder, whether or not an express assignment to such holder of rights under this Agreement has been made by you or your successor or assign.

17.6 Headings. The headings of the Sections of this Agreement are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

17.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

17.8 Reproduction of Documents. The Issuer, the Company and you hereby agree that this Agreement, the Ordinance and all documents relating thereto, including, without limitation, (a) supplements, consents, waivers and modifications which may hereafter be executed, (b) documents received by any holder at any closing of any purchase of Bonds (except the Bonds themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any holder, may be reproduced by any holder by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and any holder may destroy any original document so reproduced. To the extent permitted by law, the Issuer, the Company and you agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

17.9 Execution; Counterparts. The execution hereof by you shall constitute a contract between us for the

uses and purposes hereinabove set forth, and this Agreement may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one Agreement.

Very truly yours,

NEWBERRY COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
Chairman, Newberry County  
Council

[Seal]

Attest:

\_\_\_\_\_  
Clerk, Newberry  
County Council

FEDERAL PAPER BOARD COMPANY,  
INC.

By \_\_\_\_\_  
Vice President

[Seal]

Attest:

\_\_\_\_\_  
Assistant Secretary

BANKERS TRUST COMPANY

By \_\_\_\_\_  
Vice President

THE SOUTH CAROLINA NATIONAL BANK

By \_\_\_\_\_  
Vice President



MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK

By \_\_\_\_\_  
Vice President

13677

## (FORM OF BOND)

No. \_\_\_\_\_

\$ \_\_\_\_\_

## NEWBERRY COUNTY, SOUTH CAROLINA

Industrial Revenue Bond  
(Federal Paper Board Company, Inc.  
Project, Series 1981)

Newberry County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), for value received, hereby promises to pay, solely from the source as hereinafter provided, to \_\_\_\_\_, or registered assigns or its legal representative, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) on January 15, 1991 with interest on the unpaid principal amount hereof from the date hereof until maturity at the rate per annum (computed on the basis of a 360-day year on the actual days elapsed), of 63% of the Prime Lending Rate for the period from the date hereof to January 15, 1983, 65% of the Prime Lending Rate for the period from January 15, 1983 to January 15, 1987, and 67% of the Prime Lending Rate for the remaining life of the Bond, payable quarterly, on January 15, April 15, July 15 and October 15 in each year; provided that upon an Event of Taxability (as defined in the Bond Purchase and Loan Agreement), the interest rate on and after such occurrence shall be 112% of the Prime Lending Rate. Any overdue installments of principal and, to the extent legally enforceable, overdue installments of interest shall bear interest at a rate of one percent (1%) in excess of the applicable interest rate per annum. "Prime Lending Rate" shall mean the rate as announced by Bankers Trust Company from time to time at its principal office as its prime lending rate for domestic commercial loans; any change in the interest rate resulting from a change in the Prime Lending Rate shall be effective on the effective date of each change in the Prime Lending Rate announced by Bankers Trust Company at its principal office. The principal hereof shall be payable to the registered owner hereof on the maturity date hereof, except to the extent prepayment of principal has been made prior to such date. All sums (except the final

payment), including principal, interest and premium on this Bond shall be payable by check or draft mailed to the registered owner hereof at its address as it appears in the registration books of the Issuer or if the home office payment provision (as provided in the Bond Purchase and Loan Agreement) shall then be in effect, as provided in such home office payment provision. Final payment of principal on this Bond shall be made upon presentation of the Bond. Both principal and interest are payable in lawful money of the United States of America.

THE PRINCIPAL OF, AND THE INTEREST AND PREMIUM, IF ANY, ON THIS BOND, SHALL BE PAYABLE SOLELY OUT OF THE REVENUES TO BE DERIVED BY THE ISSUER FROM THE HEREINAFTER DESCRIBED BOND PURCHASE AND LOAN AGREEMENT. THIS BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OF THE STATE OF SOUTH CAROLINA AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

This Bond is one of the \$8,500,000 Newberry County, South Carolina, Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981), authorized and issued under Title 29, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended for the purpose of financing the costs of the acquisition of certain sawmill facilities located in Newberry County, South Carolina (the "Project") by Federal Paper Board Company, Inc., a New York corporation (the "Company"). The Bonds are issued pursuant to an ordinance (the "Ordinance"), duly adopted by the Governing Board of the Issuer and under the terms of a Bond Purchase and Loan Agreement, dated as of January 15, 1981 (the "Agreement") among the Issuer, the Company and Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York (the "Purchasers") which provides for the loan of the proceeds from the sale of the Bonds by the Issuer to the Company (the "Loan") and pursuant to which the Company covenants to make payments of amounts sufficient to pay the principal of, and the interest and premium, if any, on the Bonds. Pursuant to the Agreement, the Issuer has assigned to the Purchasers all its rights, title and interest to the amounts payable by the Company on account of the Loan under the Agreement, as security for the payment of the Bonds. In a Guaranty and Indemnification Agreement, dated as of January 15, 1981 (the "Guaranty"), the Company has guaranteed to the holders from time to time of the Bonds the full and prompt payment of the



principal of, premium, if any, and interest on the Bonds. Reference is hereby made to the Ordinance, the Agreement, the Guaranty and to all amendments and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Company and the holders of the Bonds and the terms upon which the Bonds are issued and secured.

The Bonds may not be prepaid by the Issuer except as provided herein:

(a) Upon mandatory prepayment pursuant to Section 7.2 of the Agreement.

(b) At the option of the Issuer exercised at the direction of the Company, in whole or in part at any time, in multiples of \$100,000, upon payment of the principal amount of Bonds to be prepaid and interest accrued to the prepayment date, upon the terms and conditions set forth in Section 7.3 of the Agreement.

If the Bonds or portions of principal thereof are called for prepayment, the Company shall cause a notice thereof identifying the Bonds or portions of principal thereof to be prepaid to be sent in the name of the Issuer by first class mail, postage prepaid, to the registered owner of each Bond to be prepaid at its address as it appears on the registration books not less than 10 nor more than 30 days prior to the prepayment date. Provided funds for their prepayment are delivered to the Bondholders at their respective addresses so appearing, the Bonds or portions of principal thereof so called for prepayment shall cease to bear interest on the prepayment date. Prior to any sale or transfer of this Bond the holder shall note on the Table of Prepayments attached to the Bond the date and amount of payment or any prepayment of principal theretofore paid and not yet noted thereon. Upon request of the Company or the Issuer, this Bond shall be available for inspection during regular business hours by the Company or the Issuer at the principal business offices of the holder hereof or such other place as such holder shall have designated in writing to the Issuer and the Company.

This Bond is transferable. Registration of any such transfer shall be made on the registration book kept by the Company only upon presentation of a written instrument of transfer in form satisfactory to the Company and duly

executed by the Bondholder or its authorized representative, and no registration of transfer hereof shall be effectual unless shown in such book and noted hereon with a record of payments. The Issuer and the Company may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

The Bond Registrar shall not be required to register a transfer of this Bond during the five days immediately preceding any date for the payment of interest or the payment or prepayment of principal.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, Newberry County, South Carolina, has caused this Bond to be executed with the manual signature of its Chairman, its seal to be affixed hereto and attested by its Clerk, and this Bond to be dated \_\_\_\_\_.

NEWBERRY COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
Chairman, Newberry County  
Council

[SEAL]

Attest:

\_\_\_\_\_  
Clerk, Newberry County  
Council

Certification of Registration

Name of Registered Holder Subsequent to	Date of Registration of Transfer	Date to Which Interest Paid	Signature of Company Treasurer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## TABLE OF PREPAYMENTS

Prior to any registration of transfer of this Bond all partial prepayments of principal of the within Bond shall be appropriately endorsed by the holder hereof on the table below.

<u>Date</u>	<u>Amount Paid or Prepaid</u>	<u>Remaining Unpaid Balance</u>	<u>Signature</u>
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FEDERAL PAPER BOARD COMPANY, INC.

PROMISSORY NOTE

No. \_\_\_\_\_

January 15, 1981

\$ \_\_\_\_\_

FEDERAL PAPER BOARD COMPANY, INC., a New York corporation (the "Company"), acknowledges itself indebted and for value received hereby promises to pay to Newberry County, South Carolina (the "Issuer") or order, the principal sum of \$ \_\_\_\_\_ together with interest on the unpaid principal balance thereof from the date hereof until paid, before or after maturity, by acceleration or otherwise, at the applicable rate borne by the Issuer's Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) due January 15, 1991 (the "Bonds").

This Note and the Bonds are issued pursuant to a Bond Purchase and Loan Agreement, dated as of January 15, 1981 (the "Agreement") among the Issuer, the Company and Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York (the "Purchasers"). This Note is issued to evidence the obligation of the Company to repay the loan (the "Loan") made by the Issuer from the proceeds of the sale of the Bonds pursuant to the Agreement. The Agreement includes provision for mandatory and optional prepayment of the Loan as a whole or in part in certain cases and in the event of optional prepayment such prepayment shall be credited to the Bonds in inverse order of principal amounts due.

The Agreement and this Note have been assigned pursuant to the Agreement. The assignment is made as security for the payment of the Bonds.

Payments hereon are to be made in lawful money of the United States of America at the principal office of the Purchasers, or any subsequent holder of this Note as set forth in the Agreement on the due date for the payment of principal or interest on the Bonds in an amount which will equal the amount payable as principal of, and premium, if any, and interest on the Bonds outstanding under the Agreement on such date.

The Company agrees to make the payments on this Note on the dates and in the amounts specified herein and

in the Agreement and in addition agrees to make such other payments as are required pursuant to the Agreement.

The Company hereby grants to \_\_\_\_\_ and each subsequent holder of this Note a lien and right of set-off for all the Company's liabilities under the Agreement against all the deposits, credits and property of the Company and any collateral of the Company now or hereafter in its possession, under its control or in transit to it, and agrees that the same may be applied against such liability at any time during an event of default under the Agreement.

IN WITNESS WHEREOF, FEDERAL PAPER BOARD COMPANY, INC. has caused this Note to be executed in its name and on its behalf by its Vice President, and its corporate seal to be impressed hereon and attested by its Assistant Secretary, all as of the day and year first above written.

FEDERAL PAPER BOARD COMPANY,  
INC.

By \_\_\_\_\_  
Vice President

[SEAL]

Attest:

\_\_\_\_\_  
Assistant Secretary

ENDORSEMENT

Pay to the order of \_\_\_\_\_.

NEWBERRY COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
Chairman, Newberry  
County Council

GUARANTY AND INDEMNIFICATION AGREEMENT

Dated as of January 15, 1981

By and Between

FEDERAL PAPER BOARD COMPANY, INC.

and

BANKERS TRUST COMPANY

and

THE SOUTH CAROLINA NATIONAL BANK

and

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

NEWBERRY COUNTY, SOUTH CAROLINA

\$8,500,000 Industrial Revenue Bonds  
(Federal Paper Board Company, Inc. Project - 1981 Series)

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## GUARANTY AND INDEMNIFICATION AGREEMENT

AGREEMENT dated as of January 15, 1981 between FEDERAL PAPER BOARD COMPANY, INC., a New York corporation (herein called the "Company"), and BANKERS TRUST COMPANY, THE SOUTH CAROLINA NATIONAL BANK and MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Banks");

WHEREAS, NEWBERRY COUNTY, SOUTH CAROLINA, a political subdivision of The State of South Carolina (the "Issuer") pursuant to The Industrial Revenue Bond Act, constituting Chapter 29 of Title 4 of the 1976 Code, as amended (the "Act"), intends to issue and sell its Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, 1981 Series) in the aggregate principal amount of \$8,500,000 (the "Bonds") to Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York, for the purpose of financing the cost of the acquisition, construction and equipping of a saw mill facility in Newberry County, South Carolina (the "Project") with the proceeds derived from the sale of the Bonds, which proceeds are to be loaned by the Issuer to the Company against receipt of two promissory notes of the Company (the "Notes") issued pursuant to the terms of a Bond Purchase and Loan Agreement (the "Agreement") among the Issuer, the Company and the Banks; and the Bonds are to be secured by an assignment of the Issuer's rights and interests in the Notes and the Agreement to the Banks; and

WHEREAS, it is a condition of the obligation of the Banks to purchase the Bonds that this agreement (the "Guaranty") shall have been executed and delivered by the Company;

NOW, THEREFORE, the Company agrees with the Banks for the benefit of holders from time to time of the Bonds as follows:

1. Guaranty of Bonds. The Company hereby unconditionally guarantees the due and punctual payment (whether at stated maturity, by acceleration or call for redemption or otherwise) of the principal of, premium, if any, and interest on, and all other amounts payable by the Issuer in respect of, all Bonds from time to time outstanding. This guaranty is a guaranty of payment and not of collectibility or performance and is in no way conditioned or contingent

upon any attempt to collect from the Issuer or to realize upon any property subject to the lien of the assignment contained in the Agreement. If an Event of Default occurs and acceleration of payment of the Bonds is stayed, enjoined or otherwise prevented, the Company, upon demand therefor, will pay to each holder of Bonds the sums which would otherwise have been due to such holder hereunder had such acceleration occurred. The Company hereby waives diligence, presentment, demand, notice or protest of any kind. No modification, amendment, supplement, renewal, extension or release of or under any Bond, the Agreement, or the Notes shall release, affect or impair the obligations of the Company under this Guaranty.

2. Indemnification Against Invalidity. If at any time an Adjudication of Invalidity shall have been made, the Company will pay to the holder of any Bond, upon written demand, an amount equal to 100% of the aggregate principal amount of the Bonds outstanding plus interest accrued to the date of payment. "Adjudication of Invalidity" shall mean a final, unappealable adjudication by the highest court of the State of South Carolina, or by any other court of competent jurisdiction, that the Bonds are invalid or in any manner unenforceable for any reason whatsoever, including, without limitation, any invalidity or irregularity in any statutory or other proceedings relating to the formation or existence of the Issuer, to the issuance of the Bonds or to the execution and delivery of the Agreement, or the Notes. The Company will promptly notify each holder of Bonds in writing of the existence of an Adjudication of Invalidity. The Company shall confirm to the Banks in writing that payment under this paragraph has been made.

3. Additional Indemnification. In addition to amounts payable under paragraph 2 of this Guaranty, the Company hereby agrees to pay and to indemnify and save the holders of the Bonds harmless from and against any damage, loss, cost or expense (including attorneys' fees) which any such holder may incur or be subject to as a consequence, direct or indirect, of (1) any breach by the Company or the Issuer of any warranty, covenant, term or condition in, or the occurrence of any default under, this Guaranty, the Agreement, the Notes, or the Bonds, together with all reasonable expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, and (2) defense against any legal action



commenced to challenge the validity of any of the above referred to instruments.

4. Character of Obligations Hereunder. The obligations of the Company under paragraphs 1 through 3 of this Agreement are primary, absolute, independent, irrevocable and unconditional. The Company understands and agrees that no payment by it under any other agreement (whether voluntary or involuntary or pursuant to court order or otherwise) shall constitute a defense to the Company's several obligations hereunder except to the extent that all current and former Bondholders have been indefeasibly paid in full. No act or omission of any holder of a Bond shall in any way affect or impair the rights of any other holder of Bonds to enforce any right, power or benefit under this Guaranty.

5. Definitions. For the purpose of this Guaranty, terms not defined herein shall have the meanings set forth in the Agreement.

6. Miscellaneous.

6A. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent of each holder of 20% or more of the principal amount of Bonds at the time outstanding, except that, without the written consent of the holder or holders of all Bonds at the time outstanding, no amendment to this Guaranty shall affect the time or amount of any payments required to be made hereunder, or reduce the proportion of the principal amount of Bonds required with respect to any consent. Each holder of any Bond at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 6A, whether or not such Bond shall have been marked to indicate such consent, but any Bond issued thereafter may contain a reference, or bear a notation referring, to any such consent. No course of dealing between the Company and the holder of any Bond, nor any delay in exercising any rights hereunder or under any Bond shall operate as a waiver of any rights of any holder of such Bond.

6B. Notices to Subsequent Holder. If any Bond shall have been transferred to another holder and such holder shall have designated in writing the address to which communications with respect to such Bond shall be mailed,

all notices, certificates, requests, statements and other documents required or permitted to be delivered to the Banks by any provision hereof shall also be delivered to each such holder.

6C. Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by the Company in connection herewith shall survive the execution and delivery of this Guaranty and of the Bonds, regardless of any investigation made by the Banks or on their behalf.

6D. Successors and Assigns. All covenants and agreements in this Guaranty contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

6E. Notices. All communications provided for hereunder shall be sent by first class mail and, if to Bankers Trust Company at 280 Park Avenue, New York, New York 10017, Attention: Robert E. Smyth, Vice President; if to The South Carolina National Bank at 1241 Main Street, Columbia, South Carolina 29226, Attention: William T. Hughes, Vice President; if to Morgan Guaranty Trust Company of New York at 23 Wall Street, New York, New York 10005, Attention: Bernard Hoffmann, Vice President; and if to the Company at 75 Chestnut Ridge Road, Montvale, New Jersey 07645, Attention: Corporate Secretary, or to such other address with respect to either party as such party shall notify the other in writing; provided, however, that any such communication to the Company may also, at either of the Banks' option, be either delivered to the Company at its address set forth above or to any officer of the Company.

6F. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Guaranty required to be satisfactory to the Banks, the determination of such satisfaction shall be made by the Banks in its sole and exclusive judgment exercised in good faith.

6G. Governing Law; Changes. This Agreement is being delivered and is intended to be performed in the State of New York, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of such State. This Guaranty may not be changed orally, but (subject to the provisions of paragraph 6A) only by an agreement in writing signed by the party against whom

enforcement of any waiver, change, modification or discharge is sought.

6H. Descriptive Headings. The descriptive headings of the several paragraphs of this Guaranty are inserted for convenience only and do not constitute a part of this Guaranty.

6I. Counterparts. This Guaranty may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Guaranty to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the Company has executed this Guaranty by causing its name to be hereunto subscribed by its duly authorized officer and its corporate seal to be impressed hereon and attested by its Assistant Secretary, and the Banks have executed this Agreement by causing its name to be hereunto subscribed by its duly authorized officer, all as of the day and year first above written.

FEDERAL PAPER BOARD COMPANY,  
INC.

By \_\_\_\_\_  
Vice President

[CORPORATE SEAL]

Attest:

\_\_\_\_\_  
Assistant Secretary

BANKERS TRUST COMPANY

By \_\_\_\_\_  
Vice President

THE SOUTH CAROLINA NATIONAL  
BANK

By \_\_\_\_\_  
Vice President

13691



MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK

By \_\_\_\_\_  
Vice President

DESCRIPTION OF PROJECT

QUENTIN J. KENNEDY

Attorney at Law  
75 Chestnut Ridge Road  
Montvale, New Jersey 07645

Newberry County, South Carolina  
P. O. Box 156  
Newberry, South Carolina

Bankers Trust Company  
280 Park Avenue  
New York, New York

The South Carolina National Bank  
1241 Main Street  
Columbia, South Carolina

[ Morgan Guaranty Trust Company  
of New York  
23 Wall Street  
New York, New York ]

Re: \$8,500,000 Newberry County, South Carolina,  
Industrial Revenue Bonds (Federal Paper  
Board Company, Inc. Project, 1981 Series)

Gentlemen:

This opinion is being rendered to you in connection with the issuance and sale by Newberry County, South Carolina (the "Issuer") on behalf of Federal Paper Board Company, Inc., (the "Company") of the above-captioned bonds (the "Bonds"). The Bonds are being purchased on the date of this opinion by Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York (the "Purchasers").

I am an officer of and counsel to the Company, a corporation organized and existing under the laws of the State of New York, and am acting as its counsel in connection with the issuance and sale of the Bonds. In that capacity, I am familiar with the affairs of the Company and with the charter, by-laws and corporate records of the Company. I have also examined executed counterparts of the Bond Purchase and Loan Agreement, dated as of January 15, 1981 (the "Agreement"), among the Issuer, the Company and the



Purchasers, the Guaranty and Indemnification Agreement dated as of January 15, 1981 between the Company and the Purchasers (the "Guaranty") and the Notes, dated the date of the Bonds, from the Company to the Issuer (the "Notes").

In connection with the foregoing transactions, I have examined and relied upon such documents, corporate records, certificates of public officials and of officers of the Company, and have examined such questions of law, as I have considered relevant and necessary as the basis for the opinion hereinafter set forth. Based upon the foregoing, it is my opinion that:

(a) The Company and each of its active subsidiaries have been duly organized and validly exist, in good standing in the states of their respective incorporation; the Company and each of its active subsidiaries have the corporate power to carry on its respective businesses; the Company and each of its active subsidiaries are duly qualified to transact business and are in good standing in each jurisdiction where the ownership of property or the nature of the business transacted by them makes such qualification necessary;

(b) The Company has full corporate power and authority to execute, deliver and perform its obligations under the Agreement, the Notes, and the Guaranty, all of which have been duly authorized, executed and delivered and are valid, binding obligations of the Company, enforceable against the Company in accordance with their respective terms; and the form of the Bonds have been duly approved;

(c) The transactions contemplated by the Agreement, including the execution and delivery of the Notes, the Agreement and the Guaranty do not conflict with or result in a breach of the terms, conditions or provisions of or constitute a default under, or result in any violation of, or (other than as contemplated thereby) result in the creation of any lien upon the properties or assets of the Company or any subsidiary pursuant to, or require any authorization, consent, approval, exemption or other action by or any notice to or filing with any court or administrative or governmental body (other than specified approvals theretofore obtained and other than routine filings after the date hereof with the Securities and Exchange Commission and/or State Blue Sky authorities) pursuant to the charter or by-laws of the Company or any of its active subsidiaries, (insofar as is known to me after having made due inquiry

with respect thereto) any applicable law (including any securities or Blue Sky law), statute, rule, regulation or any agreement, instrument, order, judgment or decree to which the Company or any of its subsidiaries is subject;

(d) There is no action, suit, proceeding or investigation at law or in equity before any court, public board or body, pending or to the best of my knowledge threatened against or affecting the Company or any of its subsidiaries, or any of their respective properties, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Agreement, the Guaranty or the Notes or the validity or enforceability of any of said documents.

The foregoing opinion is qualified only to the extent that the enforceability of the Note, the Guaranty and the Agreement may be limited by bankruptcy or insolvency or other laws affecting creditors' rights generally.

All counsel furnishing opinions in connection with this transaction may rely on this letter as if it were addressed specifically to them.

Very truly yours,

Quentin J. Kennedy

13696

[LETTERHEAD OF SINKLER GIBBS & SIMON]

EXHIBIT F

Bankers Trust Company  
280 Park Avenue  
New York, New York

The South Carolina National Bank  
1241 Main Street  
Columbia, South Carolina

[ Morgan Guaranty Trust Company  
of New York  
23 Wall Street  
New York, New York ]

RE: \$8,500,000 Newberry County, South  
Carolina, Industrial Revenue Bonds  
(Federal Paper Board Company, Inc.  
Project, Series 1981)

Sirs:

We have examined the Transcript of Proceedings filed with the Clerk of Court of Common Pleas for Newberry County, South Carolina, and the Constitution and Statutes of the State of South Carolina, all in connection with the issuance and sale by Newberry County, South Carolina (the "Issuer") of \$8,500,000 aggregate principal amount of its Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the "Bonds"), issued pursuant to a Bond ordinance (the "Ordinance") adopted by the County Council of Newberry County and pursuant to a Bond Purchase and Loan Agreement (the "Agreement") dated as of January 15, 1981, among the Issuer, Federal Paper Board Company, Inc. (the "Company") and Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York (the "Purchasers"). The Bonds are being issued to provide funds to the County so that it may provide a loan to the Company for the purpose of financing the acquisition, construction and equipping of certain industrial facilities (the land, buildings, equipment and machinery constituting such facilities being hereinafter called the "Project") by Federal Paper Board Company, Inc., a New York corporation pursuant to the Agreement.

13697



Pursuant to a Guaranty and Indemnification Agreement dated as of January 15, 1981, between the Company and the Purchasers relating to the Bonds (the "Guaranty"), the Company has guaranteed payment of the principal of, premium, if any, and interest on the Bonds as and when the same become due.

The Bonds are issued in fully registered form, are in the aggregate principal amount of \$8,500,000, dated \_\_\_\_\_, 1981, payable to Purchasers or their registered assigns, bear interest payable January 15, April 15, July 15, and October 15 of each year commencing on January 15, 1981 at a variable rate, as set out in the Agreement, and mature, subject to prior redemption, on January 15, 1991.

The Bonds are subject to redemption upon the terms and conditions set forth in the Ordinance.

In addition, we have examined, among other things, the following:

1. A certified copy of the proceedings of the County Council of Newberry County (the "County Board") authorizing among other things, the following:

- (a) the execution and delivery of the Agreement;
- (b) the issuance and sale of the Bonds;
- (c) the execution and endorsement of the Notes; and
- (d) approval of the Guaranty.

2. Executed counterparts of the Agreement and the Guaranty.

3. The executed Bonds.

4. The endorsed, executed Notes.

5. The opinion of Quentin Kennedy, Company counsel, dated the date hereof, as to the proceedings authorizing the execution and delivery of the Agreement, the Guaranty and the Notes by the Company and upon which we rely, insofar as it relates to the due authorization, execution and delivery of the Agreement, the Guaranty and the Notes by the Company in rendering the opinions expressed in paragraph (ii) below.

6. Certificate of \_\_\_\_\_, \_\_\_\_\_ of the Company, establishing that there is no violation of the capital expenditure limitation imposed by Section 103(b)(6)(C) of the Internal Revenue Code of 1954, as amended, in connection with the Bonds.

7. Letter of the Issuer to the District Director, Internal Revenue Service Center, \_\_\_\_\_, \_\_\_\_\_, electing to have the provisions of Section 103(b)(6)(C) of the Internal Revenue Code of 1954, as amended, apply to the Bonds, and verification of the mailing of such letter.

8. Certified copies of the proceedings by the South Carolina Budget and Control Board approving the Project and the issuance of the Bonds.

Based upon the foregoing and upon such other information and documents as we believe necessary to enable us to render this opinion, we are of the opinion that:

(i) the Issuer is a duly constituted body corporate and political subdivision of the State of South Carolina, and has all requisite power and authority under Title 29, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), (1) to issue and sell the Bonds, (2) to loan the proceeds thereof to the Company to finance the costs of the Project, and (3) to enter into the Agreement and to assign its rights, title and interest under the Agreement to the repayments of such loan;

(ii) the bonds and the Agreement have been duly authorized, executed and delivered by the Issuer and are valid, binding and enforceable agreements of the Issuer, except to the extent that enforceability may be limited by bankruptcy, reorganization, insolvency or other laws affecting the enforcement of creditors' rights; the Issuer has duly approved the form of the Guaranty;

(iii) the execution and delivery of the Bonds and the Agreement, the offering, issuance and sale of the Bonds and fulfillment of and compliance with the respective provisions thereof do not conflict with, or result in a breach of the terms conditions, or provisions of, or constitute a default under, or result in any violation of, or (other than as contemplated

thereby) result in the creation of any lien upon any of the properties or assets of the Issuer pursuant to, or requiring any authorization, consent, approval, exemption or other action by or any notice to or filing with any court or administrative or governmental body (other than approval by the State Board heretofore obtained) pursuant to, the charter or by-laws of the Issuer, any applicable law (including any securities or Blue Sky law), statute, rule or regulation or (insofar as is known to us after having made due inquiry with respect thereto) any agreement, instrument, order, judgment or decree to which the Issuer is subject;

(iv) all designations, declarations, filings, registrations and/or recordings necessary to perfect, preserve and protect the liens created by the assignment contained in the Agreement have been made;

(v) the consummation of the transactions contemplated by the Agreement accomplishes the public purposes set forth in the Act;

(vi) the Bonds, the Guaranty and the Notes are exempt from registration under the Securities Act of 1933, as amended, and the Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended;

(vii) interest on the Bonds is exempt from Federal Income Taxes under existing statutes, regulations and court decisions (except with respect to a recipient of such interest who is a substantial user of the Project or a related person within the meaning of Section 103(b)(6)(C) of the Internal Revenue Code of 1954, as amended. Income to be received by the Issuer from the loan payments to be made by the Company pursuant to the Agreement and the Notes and interest on the Bonds are exempt from all taxation in the State of South Carolina. Principal of the Bonds is exempt from all taxation in the State of South Carolina except such inheritance, estate or gift taxes as might be applicable in the case of residents of South Carolina. The original issue and subsequent transfers of the Bonds and the Notes are exempt from all South Carolina stamp and transfer taxes.

Very truly yours,

13700



Bankers Trust Company  
280 Park Avenue  
New York, New York

The South Carolina National Bank  
1241 Main Street  
Columbia, South Carolina

[Morgan Guaranty Trust Company  
of New York  
23 Wall Street  
New York, New York]

RE: \$8,500,000 Newberry County, South  
Carolina, Industrial Revenue Bonds  
(Federal Paper Board Company, Inc.  
Project, Series 1981)

Sirs:

I am counsel for Newberry County, South Carolina (the "Issuer"), and have acted as such in connection with the issuance and sale by the Issuer, pursuant to the authority conferred under Title 29, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), of \$8,500,000 aggregate principal amount of its Industrial Revenue Bonds (Federal Paper Board Company, Inc. Project, Series 1981) (the "Bonds"). The Bonds are issued pursuant to a Bond ordinance (the "Ordinance") adopted by the County Council of Newberry County (the "Council") and pursuant to a Bond Purchase and Loan Agreement (the "Agreement") dated as of January 15, 1981, among the Issuer, Federal Paper Board Company, Inc. (the "Company") and Bankers Trust Company, The South Carolina National Bank and Morgan Guaranty Trust Company of New York (the "Purchasers"). This is to advise you that in my opinion:

(i) the Issuer is a duly constituted body corporate and political subdivision of the State of South Carolina, and has all requisite power and authority under the Act (1) to issue and sell the Bonds, (2) to loan the proceeds thereof to the Company to finance the costs of the Project, and (3) to enter into the Agreement

and to assign its rights, title and interest under the Agreement to the repayments of such loan;

(ii) the Ordinance has been duly adopted at a meeting of the Council held on January \_\_, 1981 in accordance with the Act;

(iii) the sale of the Bonds and the execution and delivery of the Agreement, and compliance by the Issuer with the provisions thereof are legal and will not conflict with, nor result in any violation or breach of any of the provisions of, or constitute a default under the provisions of any instrument or agreement to which the Issuer is a party or by which it is bound, or of any judgment, decree, order, law, statute, ordinance or governmental rule or regulation applicable to the Issuer;

(iv) there is no action, suit, proceeding or investigation at law or in equity before or by any court, arbitration board or tribunal, public board or body pending or threatened against or affecting the Issuer, or, to the best of my knowledge after having made due inquiry with respect thereto, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Bonds, the Agreement or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Agreement.

[Such opinion shall also cover such other matters incident to the transactions contemplated hereby as the Purchasers or their special counsel may reasonably request.]

Very truly yours

EXHIBIT

JAN 27 1981 NO. 1

STATE BUDGET & CONTROL BOARD

13702

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO.

REGULAR SESSION AGENDA

2

MEETING OF January 27, 1981

ITEM NUMBER

3

STATE BUDGET & CONTROL BOARD

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Agency: Division of General Services

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Subject: Easement to South Carolina Public Service Authority

The Division of General Services recommends approval of the easement to the South Carolina Public Service Authority for the purpose of constructing and maintaining a 230 KV transmission line across Black River in Georgetown County, South Carolina.

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Board Action Requested:

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Staff Comment:

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Attachments: Easement

13703



# EXHIBIT

JAN 27 1981

NO. 2

STATE OF SOUTH CAROLINA )  
COUNTY OF GEORGETOWN )

EASEMENT STATE BUDGET & CONTROL BOARD

THIS EASEMENT, made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_, by and between the South Carolina  
Budget and Control Board, as Grantor (hereinafter "STATE"), and  
South Carolina Public Service Authority, as Grantee (hereinafter  
"SCPSA").

## WITNESSETH

WHEREAS, SCPSA, a body corporate and politic, is organized,  
inter alia, for the purpose of generating, transmitting and distributing  
electric energy within the State of South Carolina; and,

WHEREAS, SCPSA proposes to construct and maintain a 230 KV  
Transmission line across Black River 10.5 miles, more or less, in a  
South Westerly direction from Highway 51 Bridge at Brown's Ferry in  
Georgetown, South Carolina, being more particularly shown and delineated  
on a drawing prepared by Olyn Wright, August 11, 1980 (D-2913), which is  
attached hereto and made a part hereof by references; and,

WHEREAS, the STATE is the prima facie owner, in trust, of the  
beds of navigable streams in the State as well as marshlands lying below  
the mean high water line; and,

WHEREAS, pursuant to Section 1-11-90 of the Code of Laws of  
South Carolina, 1976, the STATE is empowered to grant certain right-of-ways  
or easements through and over riverbeds and marshlands for construction  
and maintenance of pipelines over, on, or under such land or marshlands  
as are owned by the State; and,

WHEREAS, SCPSA is desirous of obtaining the hereinafter described  
easement through and over riverbeds and marshlands in Georgetown County,  
and the STATE considers the granting of such an easement to be in the  
public interest.

NOW, THEREFORE, the STATE as Grantor, does hereby grant, remise  
and release unto SCPSA, its successors and assigns, a right-of-way easement

13704

in, to, upon, and over the below described portion of riverbed and marshland; such riverbed and marshlands situate in Georgetown County and lying below the mean high water line.

This easement of right-of-way shall be used solely for the construction, operation, and maintenance of a 230 KV Transmission line; said easement crosses Black River 10.5 miles, more or less, South Westerly from Highway 51 Brige at Brown's Ferry in Georgetown County, South Carolina for a distance of 1,725 feet and being 100 feet in width. Said right-of-way being more particularly shown and delineated on a drawing prepared by Olyn W. Wright August 11, 1980, (D-2913), which is attached hereto and made a part hereof by reference.

SCPSA hereby agrees and covenants with the STATE that SCPSA, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. SCPSA shall use the easement area solely for the purposes incidental with the construction, operation, or maintenance of the 230 KV Transmission line and shall maintain such easement area and Transmission line in good condition. SCPSA further agrees and covenants that SCPSA shall indemnify and hold harmless, to the extent allowable by law, the STATE from and against any and all liabilities, claims, causes of action and expenses, including but not limited to, reasonable costs and attorney fees resulting in personal injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

THIS easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if SCPSA, its successors and assigns: (1) quits and abandons all use of such 230 KV Transmission line, in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach, provided further, it is understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE, or to others later granted a similar right.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its

meeting held on the 27<sup>th</sup> day of January, 1981.

WITNESSES:

STATE OF SOUTH CAROLINA

Joanna K. Williams  
William A. McInnis

BY: Richard W. Riley  
Governor Richard W. Riley

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY

David H. Mescher  
W. C. Mescher

BY: W. C. Mescher  
W. C. Mescher, President

ATTORNEY GENERAL OF SOUTH CAROLINA

APPROVED BY: Daniel P. H. H.

13706



STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

PERSONALLY appeared before me Donna K. Williams  
and made oath that he/she saw the within named South Carolina State  
Budget and Control Board by Governor Richard W. Riley, sign, seal, and  
as their act and deed deliver the within written Easement and that he/she  
along with William A. McInnis witnessed the execution thereof.

SWORN TO BEFORE ME THIS 27<sup>th</sup>

day of JANUARY, 1981

George N. Dorn, Jr. (L.S.)  
Notary Public for South Carolina

My Commission Expires: Nov. 17<sup>th</sup> 1982

Donna K. Williams

STATE OF SOUTH CAROLINA )  
COUNTY OF GEORGETOWN )

PERSONALLY appeared before me George N. Dorn, Jr.  
and made oath that he/she saw the within named South Carolina Public  
Service Authority by their President, W. C. Mescher, sign, seal, and  
as their act and deed deliver the within written Easement and that he/she  
along with George N. Dorn, Jr. witnessed the execution thereof.

SWORN TO BEFORE ME THIS 7<sup>th</sup>

day of January, 1981.

George N. Dorn, Jr. (L.S.)  
Notary Public for South Carolina

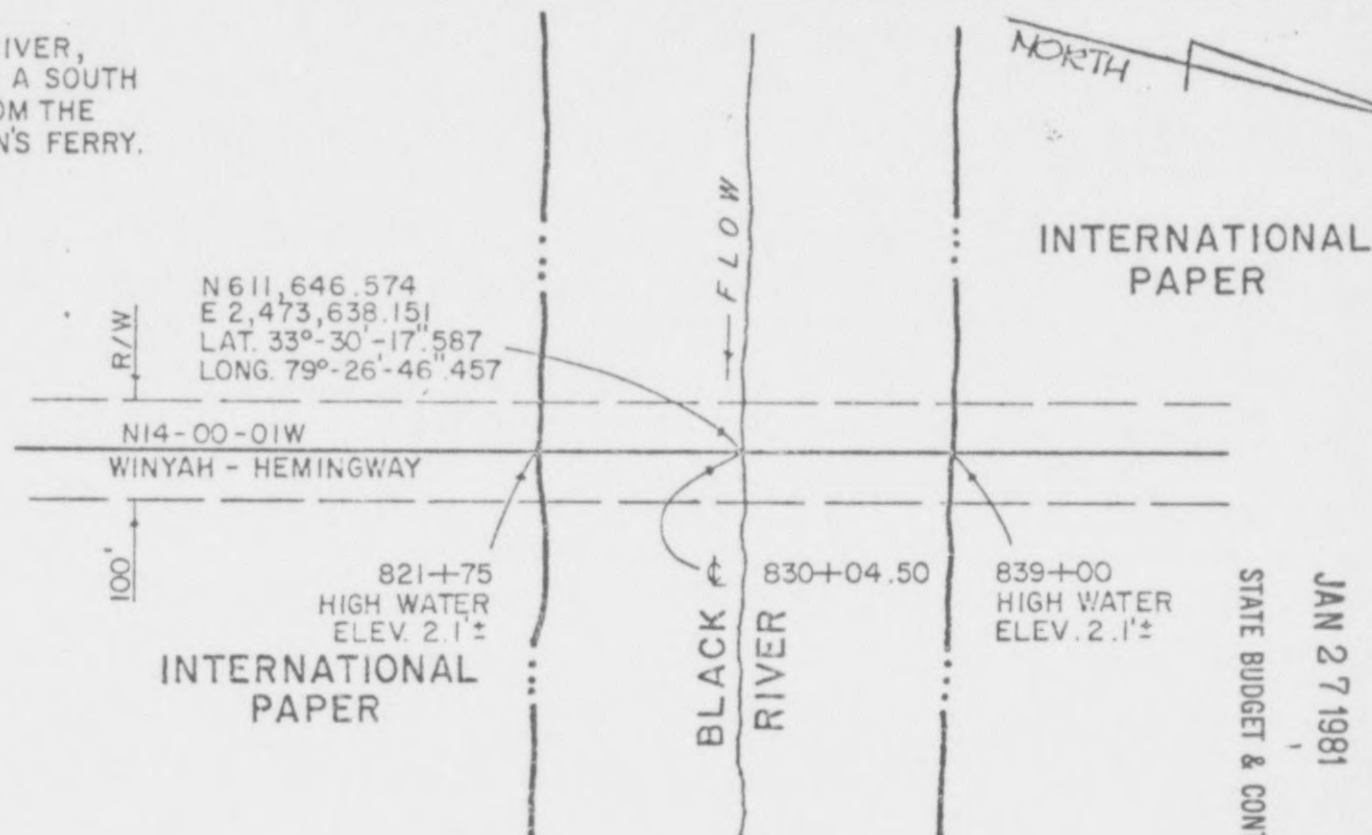
My Commission Expires: July 17, 1982

George N. Dorn, Jr.

D-2913

# GEORGETOWN COUNTY, S.C.

CENTERLINE OF BLACK RIVER,  
10.5 ± MILES UPSTREAM IN A SOUTH  
WESTERLY DIRECTION FROM THE  
HWY. 51 BRIDGE AT BROWN'S FERRY.



EXHIBIT

JAN 27 1981 NO. 2

STATE BUDGET & CONTROL BOARD

DATUM: U.S.C. & G.S. F-44 1934  
ELEV. OF WATER = 0.92

13708

NOT TO SCALE

*Clayton S. Wright*

R.L.S. 7171

AUGUST 11, 1980

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 3 BLUE AGENDA

MEETING OF January 27, 1981

STATE BUDGET & CONTROL BOARD ITEM NUMBER

4

Agency: Highways and Public Transportation

Subject: Consultant Services Contract

Consultant: Wilbur Smith and Associates, Inc.

Maximum Amount: \$96,604, 100% state funds

Time Period:

Purpose: For the rating, design and preparation of plans for bridge  
over the Savannah River on S. C. Route 28 in McCormick County

Board Action Requested:

Approve

Staff Comment:

Attachments:

State Highway Engineer Coffey 1/16/81 letter to State Auditor plus attachments

13709



# EXHIBIT

JAN 22 1981

JAN 27 1981

NO. 3



SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

P.O. BOX 191  
COLUMBIA, S.C. 29202

January 16, 1981

Consultant Agreement with Wilbur Smith and Associates, Inc.  
For the Rating, Design and Preparation of Plans for Bridge  
Over Savannah River on S.C. Rt. 28 in McCormick County

State Auditor  
P.O. Box 11333  
Columbia, South Carolina 29211

Dear Sir:

The Department has interviewed five (5) consulting engineering firms for the above described work. Solicitation was accomplished by public advertisement in newspapers within South Carolina. Proof of newspaper publication is attached from The State newspaper, the Greenville News and the Charleston News and Courier.

As a result of our solicitation, sixteen (16) firms responded expressing an interest in performing the required work for the Department. Of these firms, five (5) were selected for interviews and are as follows in order of preference for the above described work:

1. Wilbur Smith and Associates, Inc.
2. Ralph Whitehead and Associates
3. Enwright Associates, Inc.
4. Davis and Floyd Engineers
5. Harrington, George and Dunn

As a result of the interviews and further review of qualifications and ability to perform the work required, the firm of Wilbur Smith and Associates, Inc. of Columbia, S.C. was selected to submit a proposal. Such proposal in the amount of \$96,604 was submitted and is attached as Appendix "A" to the proposed agreement, one copy of which is attached.

Please be advised that in selecting the firms to be interviewed, consideration was given to the amount of projects the firms have had with the State within the past two years. Attached is a list of all firms responding to our solicitation. A listing of all engineering contracts entered into by the Department within the last three (3) years is also attached along with a list of projects contracted in South Carolina within the past two (2) years by Wilbur Smith and Associates, Inc.

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State Auditor


STATE BUDGET & CONTROL BOARD

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Your concurrence in the Department's selection of the firm of Wilbur Smith and Associates, Inc. to perform the work outlined in the proposed agreement is requested. You will note that the agreement has been signed by Departmental officials. However, it is realized that such agreement will not go into effect until approved by the State Budget and Control Board. The agreement will be dated with the date of the Federal Highway Administration's approval which is also being requested.

If additional information is required, please advise.

Yours very truly,

  
E. S. Coffey  
State Highway Engineer

Attachments

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STATE BUDGET & CONTROL BOARD

## LISTING OF CONSULTANT FIRMS RESPONDING

1. ARVID GRANT & ASSOCIATES; OLYMPIA, WASHINGTON
2. CENTURY SOUTHERN INC. & MODJESKI AND MASTERS; GREENVILLE, SOUTH CAROLINA
3. DAVIS & FLOYD ENGINEERS, INC.; GREENWOOD, SOUTH CAROLINA
4. DE LEUW, CATHER & COMPANY; ATLANTA, GEORGIA
5. ENWRIGHT ASSOCIATES, INC.; COLUMBIA & GREENVILLE, SOUTH CAROLINA
6. FIGG & MULLER ENGINEERS, INC.; TALLAHASSEE, FLORIDA
7. HARRINGTON, GEORGE & DUNN; ATLANTA, GEORGIA
8. HAYES, SEAY, MATTERN & MATTERN AND PALMER & BAKER ENGINEERS, INC.; CHARLESTON, S. C.
9. HENSLEY - SCHMIDT, INC.; ATLANTA, GEORGIA
10. HOWARD NEEDLES TAMMEN & BERGENDOFF; ATLANTA, GEORGIA
11. JOHN J. HARTE ASSOCIATES, ATLANTA, GEORGIA & LINDBERG ASSOCIATES, N. CHARLESTON, S. C.
12. PATCHEN, MINGLEDORFF & ASSOCIATES, INC.; AUGUSTA, GEORGIA
13. PRYBYLOWSKI AND GRAVINO, INC.; ATLANTA, GEORGIA
14. RALPH WHITEHEAD & ASSOCIATES; CHARLOTTE, NORTH CAROLINA
15. TALBERT, COX & ASSOCIATES, INC.; WEST COLUMBIA, SOUTH CAROLINA
16. WILBUR SMITH & ASSOCIATES, COLUMBIA, SOUTH CAROLINA AND ENGINEERING COMPUTER CORPORATION, SACRAMENTO, CALIFORNIA

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# EXHIBIT

JAN 27 1981 NO. 3

STATE BUDGET & CONTROL BOARD

CONTRACTS EXECUTED WITH THE STATE OF SOUTH CAROLINA  
BY WILBUR SMITH AND ASSOCIATES  
FROM DECEMBER 1, 1978 to NOVEMBER 30, 1980

PROJECT AND CONTRACT DATE	AGENCY INVOLVED	CONSTRUCTION COST
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## ARCHITECTURE

Computer Science Building (01-02-79)	University of South Carolina	\$5,000,000
Handicap Barriers Removal (03-28-79)	Winthrop College	\$1,300,000
Citadel Gates and Monument (05-09-79)	The Citadel	\$ 75,000
Lander Handicap Barriers (01-08-80)	Lander College	\$ 450,000

## HIGHWAYS

Spartanburg Highway Needs Study (03-26-79)	Dept. of Highways and Public Transportation	N/A Needs Study
Columbia Traffic Signal Design Study (07-25-79)	Dept. of Highways and Public Transportation	\$2,500,000
James Island Bridge Prelim. Feasibility Study	Dept. of Highways and Public Transportation	Preliminary Feasibility Study
Wando Access Road (08-20-79)	State Ports Authority	\$4,000,000
Arrowood Road Lines 1 & 2 Bridges Study and Design (10-29-80)	Dept. of Highways and Public Transportation	\$1,865,000

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PROJECT AND CONTRACT DATE	AGENCY INVOLVED	CONSTRUCTION COST
<u>PLANNING STUDIES</u>		
State Barrier Free Program (10-17-79)	S.C. Board for Barrier Free Design	N/A
Rosewood Drive (1) Noise (2) Traffic (05-30-79)	Office of the Attorney General	N/A Consultation
Therapy Pool Coastal Center HVAC Design (10-17-79)	Dept. of Mental Retardation	N/A
Dutchman Ground- water Supply Exploratory Planning (11-08-79)	Dept. of Corrections	N/A
South Carolina Rail Plan No. 2 (01-02-80)	Public Service Commission	N/A Planning Study
Lake Elizabeth Siltation Study (02-21-80)	South Carolina Attorney General  a) Waterway Siltation Analysis b) Environmental Systems Planning	N/A Planning Study
Santee Cooper Dam Impact Study (11-06-80)	Public Service Authority	N/A Economic Impact Study

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PROJECT AND  
CONTRACT DATE

AGENCY  
INVOLVED

CONSTRUCTION  
COST

MARINE

Wando Terminal  
(12-13-78)

State Ports Authority

(a) Master Plan

N/A  
Planning Study

(b) Internal Roads, etc.

\$5,000,000

(c) Coordination

N/A  
Consultant  
Coordination

(d) Site Topography

N/A  
Field Surveys

Consultant  
Services  
(03-03-79)

State Ports Authority

N/A  
Miscellaneous  
Planning  
Services

Wando Terminal  
Surveying  
(12-14-79)

States Ports Authority

N/A  
Surveying

Dreher Island  
Marina  
(12-19-79)

Dept. of Parks,  
Recreation and  
Tourism

\$ 180,000

ENGINEERING

Williams Brice  
Stadium, East  
Stand  
(05-19-80)

University of  
South Carolina

\$10,000,000+  
Joint Venture  
Finch-Heery of  
Atlanta, Georgia

Hunting Island  
Recreational  
Facility, Phase I  
(07-10-80)

Dept. of Parks,  
Recreation and  
Tourism

\$ 1,040,000

13715



COLUMBIA NEWSPAPERS, INC.

Columbia, South Carolina

Publishers of

The State  
Mornings and Sunday

AND

The Columbia Record  
Evenings except Sunday

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

Personally appeared before me Lu Anne Prosser  
of THE STATE, and makes oath that the advertisement,

NOTICE-TO ALL CONSULTING FIRMS  
11 PLANS FOR CONSTRUCTION  
P O 027130

a clipping of which is attached hereto, was printed in THE STATE,  
a daily newspaper of general circulation published in the City  
of Columbia, State and County aforesaid, in the issues of

Nov. 14, 1979

Lu Anne Prosser

Subscribed and sworn to before me  
this 20th day of Nov. 1979

[Signature] Notary Public

NOTICE

TO ALL CONSULTING FIRMS:  
The South Carolina Department of Highways and Public Transportation requests letters of interest from consulting engineering firms experienced in highway bridge design for the purpose of rating and preparing preliminary and final bridge construction plans for the below listed bridge projects in South Carolina.

1. Reconstruct (or replace) Bridge over Savannah River - Rt. 28 - McCormick Co.
2. Widen Overpass over Southern Rwy. - Road 5-21 - Greenville Co.
3. Twin Bridges over Congaree River - Rt. 1-126 - Lexington/Richland Cos.
4. Overpass over Rt. 1-126 and Arrowood Road - Richland Co.
5. Overpass over Arrowood Road - Rt. 1-126 - Richland Co.
6. Reconstruct Bridge over Wateree River - Rts. 76 & 378 - Richland/Sumter Cos.
7. Replace Bridge over Catawba River - Rts. 97 & 200 - Chester/Lancaster Cos.
8. Widen Bridge over Fishing Creek - Rts. 21, 97 & 200 - Chester Co.
9. Widen Overpass over SCL RR - Rts. 21, 97 & 200 - Chester Co.
10. Replace Bridge over Stono River - Road 5-20 - Charleston Co.
11. Replace Bridge over Dawhoo River - Rt. 174 - Charleston Co.

Consulting firms interested in being considered for any or all of these projects should submit letters of interest and also a current resume of qualifications, unless such is presently on file with the Department, to Mr. E.S. Coffey, State Highway Engineer, South Carolina Department of Highways and Public Transportation, P.O. Box 191, Columbia, South Carolina 29202 no later than November 30, 1979. Firms submitting a letter of interest must include a list of all contracts, including construction costs, the firm has executed for State agencies in the past two years.

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JN -

THE GREENVILLE NEWS-PIEDMONT COMPANY

POST OFFICE BOX 1688

GREENVILLE, SOUTH CAROLINA 29602

AFFIDAVIT

Allen Dedwyler, being duly sworn, says that he is the legal ad-

vertising representative of { THE GREENVILLE NEWS a  
~~GREENVILLE-PIEDMONT~~

newspaper printed and published in the City of Greenville, in

the State of South Carolina. That the attached advertisement

appearing in 4 3/4 inches in the issue

of November 14, 1979

*Allen Dedwyler*

Sworn to and subscribed before me

this 15th day of November 19 79

*Robert P. Huff*  
Notary Public for State of S. C.

Total Due \$

QNP-81016-12/77

To all Consulting Firms: The South Carolina Department of Highways and Public Transportation requests letters of interest from consulting engineering firms, experienced in highway bridge design for the purpose of refining and preparing preliminary and final bridge construction plans for the below listed bridge projects in South Carolina.

1. Reconstruct (or replace) Bridge over Savannah River - Rt. 28 - McCormick Co.
2. Widened Overpass over Southern Hwy. - Road 521 - Greenville Co.
3. Twin Bridges over Congaree River - Rt. 1326 - Lexington / Richland Co.
4. Overpass over Rts. 1128 and Ar. - Richmond Road - Richland Co.
5. Overpass over Arrowwood Road - Rt. 1126 - Richland Co.
6. Reconstruct Bridge over White River - Rts. 76 & 318 - Richland/Sunder Co.
7. Replace Bridge over Colowhee River - Rts. 97 & 208 - Chester / Lancaster Co.
8. Widened Bridge over Fishing Creek - Rts. 21, 97 & 208 - Chester Co.
9. Widened Overpass over SCL Rt. - Rts. 21, 97 & 208 - Chester Co.
10. Replace Bridge over Saveno River - Road 520 - Charleston Co.
11. Replace Bridge over Donehon River - Rt. 174 - Charleston Co.

Consulting Firms Interested in being considered for any or all of these projects should submit letters of interest and also a current resume of qualifications, unless such is presently on file with the Department of Highways and Public Transportation, South Carolina Highway Engineer, South Carolina Department of Highways and Public Transportation, 200 Bay St., Columbia, South Carolina 29202, no later than November 30, 1979. Firms submitting a letter of interest must include a list of all contracts, including construction costs, the firm has executed for State agencies in the past two years. \$1796

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AFFIDAVIT  
OF  
PUBLICATION

☒ The News and Courier

☐ THE EVENING POST

State of South Carolina

County of Charleston

Personally appeared before me

the undersigned advertising Clerk of the  
above indicated newspaper(s), published  
in the City of Charleston, County and  
State aforesaid, who, being duly sworn,  
says that the advertisement of

(copy attached)

appeared in the issues of said newspaper(s)

on the following day(s):

NOV. 14, 1979

at a cost of \$ 29.50

Acct. #72754

Subscribed and sworn to

before me this 15th day

of NOV.

A.D. 1979

*L. A. Weeks*

*Denise W. Parks*

NOTARY PUBLIC, S.C.  
NOTARY PUBLIC FOR SOUTH CAROLINA  
My Commission expires September 9, 1984

(Form #3020)

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NOTICE  
TO ALL CONSULTING FIRMS:  
The South Carolina Department  
of Highways and Public Trans-  
portation requests letters of in-  
terest from consulting  
engineering firms experienced in  
highway bridge design for the  
purpose of rating and preparing  
preliminary and final bridge con-  
struction plans for the below list-  
ed bridge projects in South  
Carolina.

1. Reconstruct (or replace)  
Bridge over Savannah River - Rt.  
26 - McCormick Co.
2. Widen Overpass over Southern  
Rwy. Road 5-21 - Greenville Co.
3. Twin Bridges over Congaree  
River - Rt. 1-326 - Lexing-  
ton/Richland Cos.
4. Overpass over Rt. 1-126 and  
Arrowood Road - Richland Co.
5. Overpass over Arrowood Road  
- Rt. 1-126 - Richland Co.
6. Reconstruct Bridge over Wa-  
teree River - Rts. 76 & 378 -  
Richland/Sumter Cos.
7. Replace Bridge over Catawba  
River - Rts. 97 & 200 - Ches-  
ter/Lancaster Cos.
8. Widen Bridge over Fishing  
Creek - Rts. 21, 97 & 200 - Chester  
Co.
9. Widen Overpass over SCL RR -  
Rts. 21, 97 & 200 - Chester Co.
10. Replace Bridge over Stono  
River - Road 5-20 - Charleston  
Co.
11. Replace Bridge over Dawood  
River - Rt. 174 - Charleston Co.

Consulting firms interested in  
being considered for any or all of  
these projects should submit let-  
ters of interest and also a current  
resume of qualifications, unless  
such is presently on file with the  
Department, to Mr. E. S. Coffey,  
State Highway Engineer, South  
Carolina Department of High-  
ways and Public Transportation,  
P.O. Box 191, Columbia, South  
Carolina 29202 no later than No-  
vember 30, 1979. Firms submit-  
ting a letter of interest must  
include a list of all contracts  
including construction costs. The  
firm has executed for State agen-  
cies in the past two years.



# EXHIBIT

AGREEMENT BETWEEN

JAN 27 1981 NO. 3

Wilbur Smith and Associates

STATE BUDGET & CONTROL BOARD

And

South Carolina Department of Highways  
and Public Transportation

\* \* \* \* \*

## I. GENERAL RECITALS

THIS AGREEMENT AND CONTRACT, MADE AND ENTERED INTO THIS \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between Wilbur Smith & Associates, Inc., with principal offices at Bankers Trust Building, Columbia, South Carolina, hereinafter designated the CONSULTANT, and the South Carolina Department of Highways and Public Transportation, Columbia, South Carolina, hereinafter designated the STATE.

WITNESSETH:

WHEREAS, the STATE desires to widen or replace a bridge structure on a section of the State Highway System designated as State Route 28 in McCormick County in South Carolina, and:

WHEREAS, the STATE desires to employ the CONSULTANT to furnish personnel and render professional engineering services for the use and benefit of the STATE in the study and design of said bridge structure

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as hereinafter more particularly described, and;

WHEREAS, Section 33-72 of the 1962 Code of Laws of the State of South Carolina authorizes the Department of Highways and Public Transportation to enter into agreements for such services;

NOW THEREFORE, in consideration of these premises and of the mutual covenants herein set forth, it is agreed by and between the parties hereto as follows:

The CONSULTANT will perform the required professional engineering services as hereinafter stated for the bridge project described below:

## II. DESCRIPTION OF PROJECTS

The bridge widening or replacement covered by this Agreement is estimated by the STATE to cost \_\_\_\_\_, and shall consist of the project indicated in the list as follows:

<u>Item</u>	<u>County</u>	<u>Route</u>	<u>Crossing</u>	<u>Approximate Existing Length &amp; Width</u>	<u>Improvement</u>
1	McCormick	28	Sav.Riv.	1882 ft.      18 ft.	widen and remodel or replace

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### III. SCOPE OF SERVICES

The services to be performed by the CONSULTANT on the heretofore described bridge project consist of five distinct phases as follows:

#### Phase A - Field Inspection, Rating Existing Bridge and Cost Study

##### Field Inspection

The CONSULTANT will conduct a field inspection of the existing bridge excluding only the existing steel trusses. CONSULTANT will take soundings near existing piers and profiles near submerged bent footings and shall conduct a visual inspection of exposed elements of the bridge.

Underwater inspections of piers or bents is not required nor included in the scope of work. The existing deck is paved with asphalt. CONSULTANT shall remove a portion of existing asphalt and expose deck concrete at three separate locations on the existing bridge deck. STATE forces will repair asphalt deck if required. Core samples of the deck concrete exposed at each of these three selected locations shall be obtained and tested to determine the strength of the concrete. Visual inspections only will be made at other deck areas of the approach spans.

##### Rating Existing Bridge

The CONSULTANT will analyze each existing as-built element type within the structure excepting existing trusses to obtain both the Inventory Rating and Operating Rating for the portions of the existing bridge proposed to be retained and widened and remodeled. Portions of existing bridge proposed to be retained are further



described under the Cost Study portion of this Phase A description. The criteria to be followed in computing these ratings shall be based on AASHTO's Manual for Maintenance Inspection of Bridges, 1978, as revised by AASHTO's Interim Specifications to its Standard Specifications for Highway Bridges dated 1977. The CONSULTANT shall submit to the STATE a written report stating the ratings as well as a brief description on the procedure followed in obtaining such ratings. Upon request, the CONSULTANT will furnish the STATE a copy of the calculations used in obtaining the ratings.

#### Cost Study

Alternative construction schemes shall be developed in schematic detail sufficient to allow estimates of principle quantities and comparative estimates of construction cost. The alternatives to be considered are as follows:

1. Widen and remodel approach spans using cast-in-place simple span flat slab and structural steel girders at truss spans similar to that shown on STATE developed preliminary drawings previously prepared for this project. Spans: 2@ 25'±; 6@ 100'±; 49 @ 25': (total length = 1882 ft. ±).
2. Widen and remodel: spans 160-205-205-160±; 46 @ 25 ft.± (total length = 1882 ft. ±).
3. Widen and remodel: spans 5@ 145 ft.±; 46@ 25 ft.± (total length = 1882 ft.±).
4. New bridge upstream and adjacent to existing bridge - total bridge length to be selected for Cost Study purposes will be

chosen after completion of the Hydraulic Risk Analysis as further described in Phase B of this Agreement. Field surveys, if required, will be provided by the STATE. Span type and arrangement to be selected by CONSULTANT, subject to approval by the STATE.

In addition to the basic structure alternatives listed above CONSULTANT shall estimate costs of typical 25 ft. approach spans using precast prestressed flat slabs on pile-type bents.

CONSULTANT shall summarize the results of his findings from study of above alternatives and shall present a brief letter-type report including sketch layouts and cross sections. CONSULTANT shall recommend a construction scheme to be implemented. The STATE will determine the construction scheme to be implemented.

#### Phase B - Hydraulic Risk Analysis

The CONSULTANT shall perform an Hydraulic Risk Analysis in accordance with the reference criteria provided in FHPM 6-7-3-2, Transmittal 315 of November 15, 1979, as adaptable to this project.

The CONSULTANT will study profile grades and bridge lengths along with predicted flood frequencies, construction costs, estimated damage costs, and other factors further described in FHPM 6-7-3-2. The objective of this study will be to identify that particular structure configuration which appears to be least costly to society as a whole. The possibility of widening and remodeling the existing bridge shall be considered among other possible alternatives to be selected by CONSULTANT. CONSULTANT shall:

- (a) Compile comparative data on bridges upstream and downstream

from the proposed site.

(b) Develop hydrology and hydraulic data for the proposed site.

(c) Select several different design alternatives using total bridge length and finished grade elevations as variables (backwater computations may be developed with the aid of the HEC-2 computer program).

(d) Compute total annual economic response for each selected design alternative.

(e) Report conclusions and recommendations.

In connection with the above Hydraulic Risk Analysis work, the STATE shall furnish the CONSULTANT any available data which may be pertinent to the work, i.e. traffic, stream flow data, etc. Further, the STATE may assist the CONSULTANT in obtaining hydrologic and hydraulic data from other governmental agencies, if necessary.

#### Phase C - Preliminary Design

The type of bridge to be designed will be determined at the conclusions of Phase A and Phase B work. However, the CONSULTANT shall develop his proposed fees for Phase C, Phase D and Phase E on the basis of implementing a "Widening and Remodeling" of subject bridge as described in Phase A, Cost Study Items 1, 2 or 3.

If the bridge type and arrangement approved for design by the STATE differs materially from this assumption, the proposed fees for Phases C, D and E may be adjusted as further provided in Section VI of this Agreement.

Utilizing final plans for the existing bridges and such new



survey data as may be necessary which shall be furnished by the STATE, the CONSULTANT will develop preliminary bridge widening or replacement plans in suitable and acceptable form for submittal to and review by the STATE and the U. S. Department of Transportation, Federal Highway Administration (FHWA). Roadway design, i.e., approaches, access roads, and/or main line roadways, shall not be a part of the CONSULTANT'S work under this Agreement. No right-of-way work or plans will be prepared by the CONSULTANT except to note any changes in right-of-way limits required by the widened bridge design on the existing right-of-way plans for the project or projects.

In developing preliminary bridge widening plans, the CONSULTANT shall conform to the existing roadway alignments, profiles, and geometric designs prepared and furnished by the STATE. The preliminary drawings shall include plans, elevations, typical sections, and other pertinent physical features of the proposed widened structure. Types of substructure and superstructure will be in sufficient detail to provide a complete review. Preliminary plans shall also include recommended methods of handling highway traffic during construction. The preliminary plans to be furnished to the STATE as hereafter prescribed shall also consist of, but not be limited to, a title sheet showing location and description of the project, bridge plan-profiles, and bridge typical sections.

Applicable criteria, such as horizontal and vertical clearances, roadway dimensions and structural design, shall be included, along with preliminary estimates of quantities and costs. The STATE,

upon request, will furnish unit cost data for similar type structures as may be available.

Upon completion of the preliminary plans, the CONSULTANT shall submit 3 sets of full-size white prints to the STATE for review. After initial review, the STATE shall return one set of plans to the CONSULTANT marked up with desired changes, if any, for correction by the CONSULTANT. After revision, the CONSULTANT shall provide 3 sets of full-size white prints, as revised, for review by the Federal Highway Administration and also for obtaining borings, if borings are deemed necessary.

Comments received from the Federal Highway Administration resulting from its review of the preliminary plans will be forwarded to the CONSULTANT along with any further instructions by the STATE, if any. After further revisions, if any, the CONSULTANT shall provide the STATE 8 sets of full-size white prints of the preliminary plans for review by the owner of any railroad facilities that may be passed over or under by any of the bridge widening projects covered by this Agreement.

#### Phase D - Final Design

Upon review and subsequent modification, if any, resulting from a review of the preliminary plans by the STATE and the FHWA, the CONSULTANT will prepare detailed construction plans for widening or replacing each bridge structure in accordance with priorities established by the STATE.

Final plans shall be prepared in conformity with current

practices of the STATE with regard to method of presentation, scales, billing of pay items, special drawings and summaries thereof. Standard Drawings of the STATE shall be made use of to the extent feasible and shall be furnished by the STATE, to be modified by the CONSULTANT to fit the particular needs of each project. The STATE'S "Standard Specifications for Highway Construction, 1973 Edition" and supplements thereto shall apply. The CONSULTANT shall prepare Special Provisions relating to items, work, materials or conditions not covered or not covered as described in the Standard Specifications. Plans will be prepared on Mylar film sheets to the size and standard markings of the STATE.

Upon completion of final plans, the CONSULTANT shall submit 3 complete sets of full-size white prints of the plans to the STATE for review. Following review and subsequent modification, if any, of plans by the CONSULTANT resulting from the aforementioned reviews the CONSULTANT shall complete the plans and furnish such to the STATE in suitable form for advertisement and construction. Upon request, the CONSULTANT will furnish the STATE a copy of the design calculations.

Following award of contracts and during construction, the CONSULTANT shall check the Contractor's shop drawings and specifications as may be required and in a timely manner.

#### Phase E - Rating New Bridge

The CONSULTANT will analyze each new or remodeled structure to determine the Inventory Rating and Operating Rating. If necessary, existing bridge ratings as developed under Phase A of this Agreement



shall be modified or revised to accurately reflect the approved final design concept. The criteria to be followed in computing these ratings shall be based on AASHTO's Manual for Maintenance Inspection of Bridges, 1978. The CONSULTANT shall submit to the STATE a written report stating the ratings as well as a brief description of the procedure followed in obtaining such ratings. Upon request, the CONSULTANT will furnish the STATE a copy of the calculations used in obtaining the ratings.

#### IV. WORK TO BE DONE BY STATE

A. The STATE shall furnish the CONSULTANT prints of applicable existing bridge plans, existing roadway alignment, profile geometrics, traffic projection, and other pertinent data as may be available to the STATE on each bridge widening project.

B. Any bridge or hydraulic surveys except those required under Phase B, Hydraulic Risk Analysis, deemed necessary shall be made and furnished by the STATE.

C. Borings and subsurface data shall be obtained and furnished by the STATE if such is deemed necessary. It is anticipated that data obtained from final as-built plans of the existing bridge will be sufficient to establish new foundation design criteria which will be made available to the CONSULTANT by the STATE.

D. Reproducible copies of standard drawings applicable to the bridge widening projects shall be furnished by the STATE for use as part of the final plans.

E. Direct supervision of construction will be performed by the STATE.

V. GENERAL PROVISIONS

The CONSULTANT shall at all times work closely with the designated representatives of the STATE and shall keep them fully advised as to the status of the work. The CONSULTANT will be present at all conferences, field inspections and other meetings, being represented by a responsible individual from the firm as requested by the STATE. Conferences or consultations may be called at any time by either party to this Agreement. The plans and work of the CONSULTANT will be available to the STATE and to the appropriate representatives of the FHWA for review at all times. Liaison will be conducted by the CONSULTANT through their office in Columbia, South Carolina.

The CONSULTANT shall conform to design standards and criteria based on the policies and guidelines of the American Association of State Highway and Transportation Officials and such modifications as may be directed by the STATE and the FHWA.

The CONSULTANT shall save harmless the STATE and other agencies of the Government from claims and liability due to negligent acts of himself, his subcontractors, agents or employees.

The CONSULTANT and his subcontractors shall keep and preserve all books, documents, papers, accounting records, and other evidence pertaining to cost incurred and to make such materials available

at their respective offices at reasonable times during the contract period and for three years from the date of final payment under the contract, for inspection by the STATE, FHWA, or any authorized representative of the Federal Government and copies thereof shall be furnished if requested.

The CONSULTANT agrees to maintain his cost records in such manner as to comply with the policies set forth in the Federal-Aid Highway Program Manual, FHPM 1-7-2 dated October 21, 1974 "State Contract Administration" and also in Parts 1 - 15 of the Federal Procurement Regulations and other directives as appropriate.

The CONSULTANT shall not assign, sublet, or transfer any of the work, except as otherwise provided for under the terms of this contract or with written consent of the STATE. Such consent does not release or relieve the CONSULTANT, as principal, from any of his obligations and liabilities under the contract.

The CONSULTANT shall comply with all laws, ordinances and regulations, Federal, State and local, applicable to the work.

The CONSULTANT shall not employ the services of any person or persons now in the employment of the STATE, or who may be employed by the STATE during the time of this Agreement.

The CONSULTANT shall sign as approved plans, specifications and estimates prepared and delivered under the terms of this Agreement.



The CONSULTANT warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the STATE shall have the right to annul this contract without liability, or, in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

VI. CHANGES IN CONTRACT, TERMINATION  
OR ABANDONMENT OF CONTRACT

The type of bridge to be designed will be determined at conclusion of Phase A and Phase B work.

However, the CONSULTANT shall develop his proposed fees for the work required under Phase C, Phase D and Phase E on the basis of implementing a "Widening and Remodeling" of the subject bridge in general accord with schemes described under Phase A items 1, 2 or 3.

If the STATE approved construction scheme required to be implemented under Phase C, Phase D or Phase E differs in substance from Phase A schemes 1, 2 or 3, either the STATE or the CONSULTANT may require a renegotiation of that portion of the Fee designated for Phase C - Preliminary Design, Phase D - Final Design and Phase E - Rating New Bridge.

The STATE may desire the CONSULTANT to render services for minor changes in connection with this project in addition to that provided for by the expressed intent of this Agreement. This will be considered as Extra Work, subject to an agreement change order, supplemental to this Agreement, setting forth the nature and scope thereof and the compensation therefor, as determined by mutual agreement between the STATE and the CONSULTANT. Work under such change order shall not proceed until approved and authorized by the Federal Highway Administration and the STATE.

The STATE shall have ownership of all work completed or partially completed in event of termination of the contract by the agency of Government or in case the CONSULTANT is not complying with its terms or the progress or quality of work is unsatisfactory. Appropriate adjustment in compensation for the work done shall be on a quantum meruit basis.

In any dispute concerning a question or fact in connection with the work of this Agreement, or compensation thereof, the decision of the State Highway Engineer in the matter shall be final and conclusive for both parties.

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VII. DELAYS AND EXTENSIONS

Reasonable extensions of the scheduled time shall be mutually arrived at by both parties in the event of unavoidable delays.

In the event of excessive delays during the CONSULTANT'S work caused by the STATE which may result in increased engineering cost, the CONSULTANT may request a re-negotiation of fee. Such fee would be determined by mutual agreement of both parties.

VIII. CONTROL

All work by the CONSULTANT is to be done in a manner satisfactory to the STATE and in accordance with the established customs, practices, and procedures of the STATE and in conformity with the standards adopted by the American Association of State Highway and Transportation Officials and approved by the Secretary of Transportation as provided in Title 23, U. S. Code, Section 109-B as amended. The decision of the STATE is to control in all questions regarding type of design, dimension of design and similar questions.

IX. FEE

For engineering services described herein, the CONSULTANT shall be paid a total lump sum fee amount of Ninety Six Thousand Six Hundred and Four Dollars (\$96,604) for all items as listed and detailed in Section II, in accordance with the fee schedule which is itemized in the attached summary sheet in Appendix A.



The above total lump sum amount is in accordance with the determination of the total engineering fee as shown in Appendix A attached hereto and made a part of this Agreement.

Partial payments shall be made to the CONSULTANT based upon the estimated completion of each structure plan and submission of monthly invoices to the STATE. Progress schedules showing the relative percent complete of the principal phases of work for each structure shall be submitted with the monthly invoices. Final payment to the CONSULTANT shall be made within sixty (60) days after approval and acceptance of the completed Final Design Plans by the STATE.

All monthly payments will have a ten (10) percent retainer withheld until completion of plans for each structure. Intermediate payments are to be made in accordance with items and phases on the summary sheet in Appendix A.

Should a bridge project or phase of a bridge project be deleted from this Agreement, the fee amount shall be reduced in accordance with the amount for that project or phase as set forth in the breakdown of cost as shown in Appendix A. Similarly, should any additional bridge project or extension or addition to a phase of a bridge project be added to this Agreement, the fee amount shall be increased on a cost breakdown similar to that presented in Appendix A and in accordance with Section VI of this Agreement.

13734

That portion of the CONSULTANT'S fee for Phase D work as shown in Appendix A includes an amount equivalent to five (5) percent of the Phase D work for review of shop drawings on those projects for which such drawings are necessary, and also for consultation during construction. Should this work be necessary and the CONSULTANT not perform this work during construction as requested, then the five (5) percent amount shall be deducted from the CONSULTANT'S Phase D fee.

#### X. SCHEDULE

Work to be performed in Phase A and Phase B shall commence immediately upon written notice to proceed. Phase A and Phase B shall be completed by the CONSULTANT in 100 calendar days. CONSULTANT shall not commence work on Phase C until authorized by the STATE. Phase C shall be completed by the CONSULTANT in 30 calendar days. Phase D shall be completed by the CONSULTANT in 120 calendar days after the completion of Phase C work. Phase E may be commenced immediately after the completion of Phase D without written notice to proceed.

Inasmuch as time is of the essence in completion of the work in this Agreement, the above schedules are based on expeditious work of the CONSULTANT and expeditious reviews by the STATE and FHWA. Should, for reasons beyond the CONSULTANT'S control, review time or delays occur, the schedules shall be adjusted as mutually agreed by both parties hereto.

XI. COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS  
ACT OF 1964 FOR FEDERAL AID CONTRACTS

During the performance of this Agreement, the CONSULTANT, for itself, its assignees and successors in interest (hereinafter referred to as the "CONSULTANT"), agrees as follows:

1. Compliance with Regulations: The CONSULTANT shall comply with the Regulations of the Department of Transportation relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (Title 49, Code of Federal Regulations, Part 21, hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Agreement.

2. Nondiscrimination: The CONSULTANT with regard to the work performed by it after award and prior to completion of the contract work, shall not discriminate on the ground of race, color, religion, sex or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when this Agreement covers a program set forth in Appendix B of the Regulations.

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials or leases



of equipment, each potential subcontractor, supplier or lessor shall be notified by the CONSULTANT of the CONSULTANT'S obligations under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex or national origin.

4. Information and Reports: The CONSULTANT shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the STATE or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a CONSULTANT is in the exclusive possession of another who fails or refuses to furnish this information, the CONSULTANT shall so certify to the STATE or the Federal Highway Administration as appropriate and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of the CONSULTANT'S noncompliance with the nondiscrimination provisions of this Agreement, the STATE shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to,

a. withholding of payments to the CONSULTANT under the Agreement until the CONSULTANT complies, and/or

b. cancellation, termination or suspension of the Agreement in whole or in part.

6. Incorporation of Provisions: The CONSULTANT will include the provisions of paragraph (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The CONSULTANT shall take such action with respect to any subcontract or procurement as the STATE or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a CONSULTANT becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the CONSULTANT may request the STATE to enter into such litigation to protect the interests of the STATE, and, in addition, the CONSULTANT may request the United States to enter into such litigation to protect the interest of the United States.

XII. CERTIFICATION OF CONSULTANT

I hereby certify that I am the Vice President and duly authorized representative of the firm of Wilbur Smith and Associates, whose address is Bankers Trust Tower, Columbia, South Carolina, and that neither I nor the above firm I here represent has:

- (a) employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONSULTANT to solicit or secure this Agreement:
- (b) agreed, as an express or implied condition for obtaining this Agreement, to employ or retain the services of any firm or person in connection with carrying out the Agreement, or
- (c) paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above CONSULTANT) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out the contract except as here expressly stated (if any):



I acknowledge that this certificate is to be furnished to the STATE and the Federal Highway Administration, U. S. Department of Transportation, in connection with this Agreement involving participation in Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

3-18-80

(Date)

Robert A. Foy

(Signature)

XIII. CERTIFICATION OF STATE

I hereby certify that I am the State Highway Engineer of the Department of Highways and Public Transportation of the State of South Carolina and that the above CONSULTANT or his representative has not been required, directly or indirectly as an express or implied condition in connection with obtaining or carrying out this Agreement to:

- (a) employ or retain, or agree to employ or retain, any firm or person, or
- (b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind, except as here expressly stated (if any):

I acknowledge that this certificate is to be furnished the Federal Highway Administration, U. S. Department of Transportation, in connection with the Agreement involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

1-14-81

(Date)

E. S. Coffey

(Signature)

XIV. SUCCESSORS AND ASSIGNS

The STATE and CONSULTANT each binds himself, his successors, executors, administrators, and assigns to the other party with respect to these requirements, and also agree that neither party shall assign, sublet, or transfer his interest in the Agreement without the written consent of the other.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

Signed, sealed and executed for the CONSULTANT.

In the Presence of:

Robert Whitaker  
Jessie C. Jenson

Wilbur Smith & Associates, Inc.

By:

Robert A. Foy  
Sr. Vice President  
(Title)

Signed, sealed and executed for the STATE.

ATTEST:

A. P. Lagori  
Secretary-Treasurer

SOUTH CAROLINA DEPARTMENT OF HIGHWAYS  
AND PUBLIC TRANSPORTATION

By:

Paul W. Cobb  
Chief Commissioner

Witnesses as to S. C. Department of Highways and Public Transportation:

Carole M. Mykkelson  
J. M. Coffman

RECOMMENDED:

E. D. Coffey  
State Highway Engineer

13742



A P P E N D I X A

13743

Determination of Engineer Fee

Item No. 1, County McCormick Route 28  
Crossing Bridge over Savannah River

I. Direct Payroll Costs

Phase A - Inspection, Rating Existing Bridge and Cost Study

Principal Associate	40 Manhours @ 16.25 = \$	650
Bridge Project Engineer	80 Manhours @ 14.35 =	1,148
Senior Bridge Design Engineer	330 Manhours @ 12.50 =	4,125
Bridge Design Engineer	220 Manhours @ 10.60 =	2,332
Senior Draftsman/Surveyor	100 Manhours @ 7.85 =	785
Draftsman/Surveyor	<u>100</u> Manhours @ 5.75 =	<u>575</u>
870	Subtotal = \$	9,615

Phase B - Hydraulic Risk Analysis

Principal Associate	20 Manhours @ 16.25 = \$	325
Bridge Project Engineer	20 Manhours @ 14.35 =	287
Senior Civil Engineer	180 Manhours @ 12.50 =	2,250
Hydrologist	380 Manhours @ 10.60 =	4,028
Draftsman/Surveyor	60 Manhours @ 5.75 =	345
Secretary/Clerical	<u>60</u> Manhours @ 5.00 =	<u>300</u>
720	Subtotal = \$	7,535

Phase C - Preliminary Design

Principal Associate	40 Manhours @ 16.25 = \$	650
Bridge Project Engineer	40 Manhours @ 14.35 =	574
Senior Bridge Design Engineer	80 Manhours @ 12.50 =	1,000
Bridge Design Engineer	80 Manhours @ 10.60 =	848
Senior Draftsman	80 Manhours @ 7.85 =	628
Draftsman	<u>160</u> Manhours @ 5.75 =	<u>920</u>
480	Subtotal = \$	4,620

Phase D - Final Design

Principal Associate	40 Manhours @ 16.25 = \$	650
Bridge Project Engineer	200 Manhours @ 14.35 =	2,870
Senior Bridge Design Engineer	350 Manhours @ 12.50 =	4,375
Bridge Design Engineer	600 Manhours @ 10.60 =	6,360
Senior Draftsman	200 Manhours @ 7.85 =	1,570
Draftsman	<u>700</u> Manhours @ 5.75 =	<u>4,025</u>
2090	Subtotal = \$	19,850

Phase E - Rating New Bridge

Principal Associate	10 Manhours @ 16.25 = \$	162
Bridge Project Engineer	20 Manhours @ 14.35 =	287
Senior Bridge Design Engineer	25 Manhours @ 12.50 =	312
Bridge Design Engineer	<u>25</u> Manhours @ 10.60 =	<u>265</u>
80	Subtotal = \$	1,026

Total Direct Payroll Cost = \$ 42,646

II. Direct Computer Costs, Printing, Travel & Conc. Tests = \$ 4,000  
III. Overhead (1) = 93% of Direct Payroll Costs = \$ 39,660  
IV. Profit = \$ 10,298  
TOTAL FEE = \$ 96,604

(1) Overhead includes, but is not limited to; Social Security; State and Federal Unemployment Taxes; Workman's Compensation; Vacation; Holidays; Sick Leave; Hospital, Medical and Accident Insurance; taxes; insurance; office and administrative supplies; legal and audit; telephone and postage; and other items, all as defined in Subpart 1-15.2 of the Federal Procurement Regulations.

# APPENDIX A

## Bridge Project Cost Summary

ITEM NO.	ROUTE NAME OR NUMBER	COUNTY	TYPE OF IMPROVEMENT	CROSSING DESCRIPTION	ESTIMATED CONSTRUCTION COST	LUMP SUM FEE DISTRIBUTION					TOTAL	APPROXIMATE EXISTING LENGTH & WIDTH (ROADWAY)
						PHASE A	PHASE B	PHASE C	PHASE D	PHASE E		
1	28	McCormick	widen and remodel to 44'-0"	Bridge over Savannah River		\$19,822	\$16,404	\$10,936	\$47,619	\$ 1,823	\$96,604	1882' x 18'
TOTAL PROJECT						\$19,822 (20.5%)	\$16,404 (16.98%)	\$10,936 (11.32%)	\$47,619 (49.29%)	\$ 1,823 (1.88%)	\$96,604	

The lump sum fee distribution is set forth above for each project and phase to facilitate monitoring intermediate and partial payments of the total lump sum fee and for any amounts to be deducted when such project or phase is deleted from the total project as provided in Section IX - FEE, of this Agreement. The fee distribution is subject to any variation in amounts within the limits of the total lump sum fee consistent with Department policy.

It is to be noted that Phase A includes an allowance of \$450.00 for collection and laboratory testing of three concrete cylinders which amount may be deducted should CONSULTANT not perform this service.

It is to be noted that five percent (5%) of the fee for Final Design Services in Phase D may be deducted should the CONSULTANT not perform the review of shop drawings as provided in Section IX Phase C of the Agreement.

April 15, 1980

13745



APPENDIX "A"

ESTIMATED NUMBER OF DRAWINGS

<u>Item</u>	<u>Crossing</u>	<u>Estimated Drawings</u>		<u>Total</u>
		<u>Bridge</u>	<u>Informational</u>	
1	Bridge over Savannah River	22	26*	48

\*Includes 13 As Built Drawings

13746

APPENDIX "A"

RATES OF PAY  
FOR DIRECT LABOR COSTS  
BRIDGE PROJECTS

<u>Employee Classification</u>	<u>Average Base Pay Per Hour</u>
Principal Associate . . . . .	\$16.25
Bridge Project Engineer . . . . .	\$14.35
Senior Bridge Engineer . . . . .	\$12.50
Senior Civil Engineer . . . . .	\$12.50
Bridge Design Engineer . . . . .	\$10.60
Hydrologist . . . . .	\$10.60
Senior Draftsman/Surveyor . . . . .	\$ 7.85
Draftsman/Surveyor . . . . .	\$ 5.75
Secretary/Clerical . . . . .	\$ 5.00

13747

## STATE BUDGET &amp; CONTROL BOARD



13748

LAYOUT



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF January 27, 1981

JAN 27 1981

NO. 4

BLUE AGENDA

ITEM NUMBER

5

STATE BUDGET & CONTROL BOARD

Agency: State Personnel Division

Subject: Renewal of contract with R. E. Harrington, Inc.

At an earlier meeting, the Board approved the bid of Harrington for management of the Unemployment Compensation program, subject to satisfactory negotiation of contract language. The attached draft contract is fully satisfactory to staff and has been approved by David Eckstrom, the contracts attorney in the Attorney General's Office.

Board Action Requested:

Staff Comment:

Recommend approval

Attachments:

Draft contract

13749

# EXHIBIT

JAN 27 1981

NO. 4

STATE BUDGET & CONTROL BOARD

## CONTRACT FOR PROFESSIONAL SERVICES

between

SOUTH CAROLINA STATE PERSONNEL DIRECTOR

an agency of the State of South Carolina  
(hereinafter referred to as the "STATE")

and

R. E. HARRINGTON, INCORPORATED

(hereinafter referred to as the "CONTRACTOR")

The CONTRACTOR by its acceptance of this Contract, agrees to furnish to the STATE the services hereinafter described upon the terms and conditions of this Contract.

13750

# EXHIBIT

JAN 27 1981 NO. 4

STATE BUDGET & CONTROL BOARD

## CONTRACT FOR PROFESSIONAL SERVICES

The parties to this agreement are the State of South Carolina, South Carolina State Personnel Director, hereinafter referred to as the "STATE", and R. E. Harrington, Inc., hereinafter referred to as the "CONTRACTOR". The effective date of this agreement is April 1, 1981.

### WITNESSETH THAT:

WHEREAS, the STATE desires to engage the CONTRACTOR to render professional services as described in Appendices A and B to this Contract; NOW THEREFORE, in consideration of the mutual promises contained herein, the parties hereto do mutually agree and contract as follows:

1. Employment of Contractor. The STATE hereby agrees to engage the CONTRACTOR, and the CONTRACTOR hereby agrees to perform the services hereinafter set forth in connection with the project of the STATE as solicited in its "Request for Proposals for an Unemployment Compensation Cost Management Program," dated September 8, 1980, (Appendix A to this Contract), and as presented by the CONTRACTOR in its "A Technical Proposal for the State of South Carolina for an Unemployment Compensation Claims Management and Cost Control Program", dated October 10, 1980, (Appendix B to this Contract).

2. Scope of Services. The CONTRACTOR shall do, perform, and carry out, in a satisfactory and proper manner, as determined by the STATE, the work listed in Appendices A and B. Appendices A and B



EXHIBIT

are incorporated in this Contract by reference and made a part hereof. The CONTRACTOR, in performing the work described in Appendices A and B, is subject to all regulations herein described. The STATE will be the final arbitrator in resolving any conflict arising out of the differences in language between Appendices A and B to the Contract.

3. Time of Performance. The services of the CONTRACTOR are to commence on April 1, 1981, and shall continue for an initial period of one year and additional periods, as may be agreed upon under the provisions for such additional periods provided for herein.

4. Compensation. The STATE will compensate the CONTRACTOR in accordance with the proposed total costs as presented in Appendices B and C. It is expressly understood and agreed that in no event will the total compensation and reimbursement, if any, to be paid hereunder, exceed the amount specified in Appendices B and C unless such additional amounts, if any, are identified and specified in advance by written agreements between both parties.

5. Method of Payment. The STATE will compensate the CONTRACTOR in the amount and in the manner shown in Appendix C.

6. Termination of Contract for Cause. If, through any cause, other than cause specifically attributable to the STATE in the performance of its obligations identified in Appendices A and B, the CONTRACTOR shall fail to fulfill in timely and proper manner its obligations under this contract, or, if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this contract, the STATE shall thereupon have the right to terminate this contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the STATE for damages sustained by virtue of any breach of the contract by the CONTRACTOR, and the STATE may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due to the STATE from the CONTRACTOR is determined. However, in no event shall the total liability under this agreement exceed the purchase price or monies actually paid, whichever is less. There is no liability of CONTRACTOR for consequential damages.

7. Equal Employment Opportunity. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, ancestry or age. The CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, national origin, ancestry or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR shall post in conspicuous places, available to employees and applicants for employment notices setting forth the provisions of this non-discrimination section.

The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, creed, sex, national origin, ancestry or age.

8. Changes. The STATE may, from time to time; require changes in the scope of the services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount

of the CONTRACTOR'S compensation, which are mutually agreed upon by and between the STATE and the CONTRACTOR, shall be incorporated in written amendments to this Contract.

9. Assignability. The CONTRACTOR shall not assign any obligation of this Contract, and shall not transfer any obligation of the same, (whether by assignment or novation), without prior written consent of the STATE thereto; provided, however, that claims for money due or to become due to the CONTRACTOR from the STATE under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the STATE.

10. Interest of CONTRACTOR. The CONTRACTOR covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The CONTRACTOR further covenants that in the performance of this Contract no person having any such interest shall be employed.

11. Findings Confidential. The CONTRACTOR shall not disclose confidential information of the STATE to third parties without written consent of the STATE.

12. Officials Not to Benefit. No members of or Delegates to the Congress of the United States of America, or members of the Legislature of South Carolina or Justices and Judges in the Judicial System of the State of South Carolina, shall be admitted to any share or part thereof or to any benefit to arise herefrom.

13. Liability for Injuries to CONTRACTOR Personnel. The STATE shall have no liability and shall be held harmless for any injuries suffered



by or caused by the CONTRACTOR or his employees. The CONTRACTOR agrees to carry adequate Workmen's Compensation Insurance and public liability for all employees' injuries incurred in connection with work done under this Contract.

14. Agreement with Laws of South Carolina. This agreement shall be construed and enforced in accordance with laws of the State of South Carolina.

15. Political Activity Prohibited. None of the funds, materials, property or services contributed by the STATE or the CONTRACTOR under this Contract shall be used in the performance of this Contract for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. Compliance with Local Laws. The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the State of South Carolina and such local government ordinances, statutes or laws as are applicable to this agreement.

17. STATE Participation. The STATE will supply the CONTRACTOR with certain data and information, as identified in Appendices A and B. Employees of the STATE will develop program specifications based upon systems specifications provided by the CONTRACTOR, and employees of the STATE will perform all necessary computer programming tasks, as may be required to provide this data to the CONTRACTOR. There will be joint effort and cooperation between employees of the STATE and CONTRACTOR in the preparation of procedure manuals, and in the implementation of training sessions, in accordance with the procedure set forth in Appendices A and B.

18. Progress Reports. During the initial period of time in which modifications to the Claims Management Program are being implemented, written

interim progress reports will be submitted by the CONTRACTOR on a bi-weekly basis for review with STATE Personnel. The progress reports will include a complete report on all implementation tasks completed during the reporting period and will discuss task schedules for the next period. Each progress report will state if the project is on schedule, and discuss any problems or anticipated problems concerning the implementation or subsequent operation of the Program. The CONTRACTOR will be prepared to make a formal presentation pertaining to project progress at the request of the STATE.

19. Data Transmittal at Contract Completion. In the event that the STATE elects to obtain professional services to manage its Unemployment Compensation Management Cost Program, from a source other than the CONTRACTOR, at the end of this Contract period or any extension thereof, the CONTRACTOR shall provide the STATE with certain information of which the media and format will be specified by the STATE. This information shall include:

- a) A listing of all active (unexpired) unemployment compensation claims managed by the CONTRACTOR under this Contract during the thirty-one (31) day period immediately preceding the final month of the Contract period. Such listing shall contain all of the claim information provided by the CONTRACTOR in the quarterly claims activity reports and shall be provided no later than the eighth working day of the final month.
- b) A final listing of all active (unexpired) claims, as described in (a) above, such listing to be provided by CONTRACTOR no later than the eighth working day after the last day of the Contract period.
- c) All employee separation forms provided to the CONTRACTOR under the Contract during the final eighteen months of the Contract. Such

forms shall be limited to those forms not associated with active claims and will be provided by the CONTRACTOR no later than fifteen (15) days following the last day of the Contract period.

- d) All in-process claims not entered into CONTRACTOR'S computer system as of the last day of the Contract period will be forwarded to the STATE within five (5) working days after the last day of the Contract.

20. Warranty. The CONTRACTOR warrants that it will exercise due professional care to implement and operate the Claims Management Program in accordance with the description of the Program set out in Appendices A and B and in accordance with the Unemployment Compensation Laws and Regulations of the State of South Carolina

IN WITNESS WHEREOF, the STATE and the CONTRACTOR have executed this agreement as of the date indicated in the contract preamble.

In the Presence of:

BUDGET AND CONTROL BOARD  
SOUTH CAROLINA STATE PERSONNEL DIRECTOR

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
As to South Carolina

R.E. HARRINGTON, INC.

\_\_\_\_\_  
As to the Contractor

BY: \_\_\_\_\_  
Robert R. Parker, President

13757



# EXHIBIT

## APPENDIX C PAYMENT SCHEDULE

JAN 27 1981 NO. 4

STATE BUDGET & CONTROL BOARD

A. Contract Term. The Contract shall commence on April 1, 1981, and shall continue for an initial period of one (1) year from that date.

B. Renewal. The STATE shall have the option of renewing the contract for two (2) additional one (1) year periods, such option to include the terms, conditions and fee schedule applicable to the Contract during the initial term except as such terms, conditions, or fee schedule may be changed by agreement between both parties. The STATE and the CONTRACTOR agree that a renewal option will be exercised by the STATE unless the STATE notifies the CONTRACTOR of the STATE'S intention not to exercise the option such notice being provided to the CONTRACTOR in writing no less than 60 days prior to the end of the then current period of the Contract.

C. Fee. The annual fee payable by the STATE to the CONTRACTOR for the services provided under this Contract shall be \$1.50 times the number of employees of the STATE covered under the Program. The number of employees covered under the program shall be that number reported to the South Carolina Employment Security Commission in the fourth quarter Employer Contribution Report for the calendar year, except that the total number of employees for the initial contract year shall be that number reported to the South Carolina Employment Security Commission in the third quarter Employer Contribution Report for 1980. It is agreed that the number of employees for the contract year April 1, 1980 to March 31, 1982 is 62,873. The CONTRACTOR shall invoice the STATE for an amount equal to one-fourth of this annual amount during April, July, October, and January of each Contract period. The STATE shall pay the said invoiced amount within thirty days of the date the invoice is received.

13758

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 5 BLUE AGENDA

6

MEETING OF January 27, 1981

STATE BUDGET & CONTROL BOARD ITEM NUMBER

Agency: Wildlife and Marine Resources

Subject: A&E Selection Approval Request (Small Projects)

Wildlife and Marine Resources requests approval of the selection of Love and Cobb, Architects, Inc., to perform the services involved in the design and feasibility study of the construction of a 1700 square foot building to be located on Lake Murray in Newberry County for use by law enforcement and boating staff of the Department.

The project is financed by a \$35,000 appropriation included in the 1980 Supplemental Appropriation Act.

Board Action Requested:

Approve selection of Love and Cobb, Architects, Inc., for the referenced project under the small projects procedure for a fee not to exceed \$4,000.

Staff Comment:

Attachments:

Request form and attachments

13759

State Budget and Control Board  
Finance Division (Engineering)

REQUEST FOR APPROVAL OF SELECTION OF ARCHITECTURAL  
OR ENGINEERING FIRM UNDER "SMALL" PROJECTS PROCEDURE

1. Agency/Institution: (a) Name S.C. Wildlife and Marine Resources

(b) Request Prepared By John B. Reeves (Phone 758-6406) Date 1/15/81

2. Certification By Chief Financial Officer:

I hereby certify that the agency/institution named in 1, above, has not paid and, including any payment under the contract described on this form, will not pay in excess of \$12,000 to the firm named in 5, below, for services performed pursuant to the procedure in 1976 Code Sections 10-5-110 through 10-5-140 during any two consecutive fiscal year periods.

John B. Reeves

Typed Name and Signature of Chief Financial Officer

3. Project Name/Description/State Engineer's Project Number, If Applicable:

LAKE MURRAY HOUSE, NEWBERRY COUNTY - Design and feasibility study for construction of 1700 sq.ft. building to be used by Law Enforcement and Boating in work activities.

4. Services To Be Performed:

SEE ATTACHED

EXHIBIT

JAN 27 1981

NO. 5

STATE BUDGET & CONTROL BOARD

RECEIVED

JAN 21 1981

S. C. BUDGET  
CONTROL BOARD

5. Firm Selected: (a) Name: Love & Cobb, Architects, Inc.

(b) Address: 600 Beltline Boulevard, Columbia, S.C. 29205

6. Contract Terms: (a) Beginning Date: SEE ATTACHED Ending Date: \_\_\_\_\_

(b) Fee: \$ 4,000.00 (May not exceed \$4,000 under Section 10-5-110.)

(c) Fee Payment Schedule: Lump sum upon completion of project.

(d) Source of Funds: 1979-80 Approp. Act, Supplemental (Part I, Sec. 59)

7. How many firms were contacted regarding this project? one

8. Attach a copy of notices or advertisements, if any, used in this selection and a copy of the letter agreement or contract as negotiated.

9. Submit three copies of the completed form and attachments to Budget and Control Board.

13760



• LOVE & COBB, ARCHITECTS, INCORPORATED

600 BELTLINE BLVD. • COLUMBIA, SOUTH CAROLINA 29205 • TELEPHONE: (803) 782-7193

EXHIBIT

JAN 27 1981 NO. 5

January 6, 1981

STATE BUDGET & CONTROL BOARD

Dr. Jim Timmerman, Executive Director  
South Carolina Wildlife & Marine Resource Dept.  
P.O. Box 167  
Columbia, South Carolina

Re: Lake Murray House, Newberry County

Dear Dr. Timmerman:

We appreciate the opportunity to render services on the four bedroom Lake Murray House for the Wildlife Department. We propose to perform the work as follows.

1. Revise and update the drawings.
2. Rewrite and update the specifications.
3. Assist fully in advertisement and taking of bids and in the award.
4. Observe construction as it progresses through completion.
5. Verify each request for payment with a recommendation for payment.

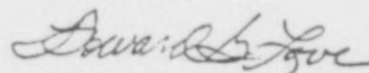
The above work will be performed at a fee of 4.5 percent of construction costs. We will furnish ten sets of construction documents within this fee. Electrical, Plumbing and Mechanical requirements will be included as will necessary documents covering a 2" well and septic tank.

Additional engineering such as surveys, etc. are not included.

The plans and specifications will be ready for bid issue within two weeks of your approval to proceed.

We look forward to working with the Wildlife Department on this project.

Sincerely yours,



Howard G. Love

HGL/dsw

RECEIVED

JAN - 8 1981

13761

S. C. WILDLIFE & MARINE  
RESOURCE DEPARTMENT

APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE January 13, 19 81

Institution or Agency Wildlife and Marine Resources

Name of Project Lake Murray House, Newberry County

Total Estimated Cost - - - - - \$ 4,000.00

To:—State Budget and Control Board  
Columbia, South Carolina

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

I. JUSTIFICATION

(The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

Design and feasibility study to determine type of structure, specific location.

B. Intended Use: Law Enforcement headquarters to assist in lake patrols and boating related activities.

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.  
(b) Outline specifications.  
(c) Small scale locality map.  
(d) Analysis of Architect's Preliminary Construction Estimate.

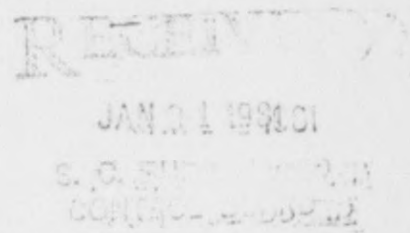
2. No. Square Feet: \_\_\_\_\_

3. Principal Facilities (No. of stories, rooms, offices, etc.) \_\_\_\_\_

D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.

E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.

F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.



13762

# EXHIBIT

## III. ESTIMATED COST

JAN 27 1981

NO.

5

Form E-1  
(Page 2)

Site - - - - - STATE BUDGET & CONTROL BOARD

Grading - - - - -

Construction - - - - -

Fees - - - - - 4,000.00

Renovation - - - - -

Basic Equipment and Supplies - - - - -

Landscaping - - - - -

Builder's Risk Insurance - - - - -

Other (Specify) \_\_\_\_\_

Contingencies - - - - -

TOTAL ESTIMATED COST - - - - - \$ 4,000.00

It is further estimated that this project will add \$ -0- per year to operation and maintenance costs of this agency.

## IV. FINANCING PLAN

A. Funds already in Hand - - - - - \$ 4,000.00

Source: 1980-81 Appropriation Act - Supplemental (con-

struction), Part I, Section 59

B. Proposed Bond Issue - - - - -

(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).

C. Other (describe) \_\_\_\_\_

TOTAL - - - - - \$ 4,000.00

Has your governing board taken formal action authorizing the submission of this application? yes

(Signed)

Title

Director-Administrative Services

## BOARD'S ACTION

APPROVED: \_\_\_\_\_ State Auditor

DATE: \_\_\_\_\_

13763



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO.

BLUE AGENDA

ITEM NUMBER

MEETING OF January 27, 1981

STATE BUDGET & CONTROL BOARD

7

Agency: College of Charleston

Subject: A&E Selection Approval Request (Small Projects)

Please refer to attachments for details.

Board Action Requested:

Approve selection of Rast and Associates, Consulting Engineers, under small projects procedures, to perform services related to a project designed to reduce moisture collection in ceiling space of student center building for a fee not to exceed \$4,000.

Staff Comment:

Attachments:

Request form and attachments

13764

State Budget and Control Board  
Finance Division (Engineering)

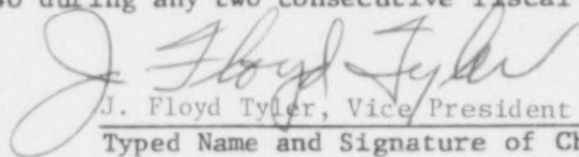
REQUEST FOR APPROVAL OF SELECTION OF ARCHITECTURAL  
OR ENGINEERING FIRM UNDER "SMALL" PROJECTS PROCEDURE

1. Agency/Institution: (a) Name College of Charleston

(b) Request Prepared By W. H. Sandeford (Phone 792-5550) Date 12/16/80

2. Certification By Chief Financial Officer:

I hereby certify that the agency/institution named in 1, above, has not paid and, including any payment under the contract described on this form, will not pay in excess of \$12,000 to the firm named in 5, below, for services performed pursuant to the procedure in 1976 Code Sections 10-5-110 through 10-5-140 during any two consecutive fiscal year periods.



J. Floyd Tyler, Vice President for Business Affairs  
Typed Name and Signature of Chief Financial Officer

3. Project Name/Description/State Engineer's Project Number, If Applicable:

Student Center Moisture Reduction in Ceiling Space

4. Services To Be Performed:

Investigate problem and recommend corrective action to prevent or reduce accumulation of moisture in ceiling space above swimming pool seating area. Excessive moisture has caused deterioration of interior materials adjacent to roof and collapse of dropped ceiling above seating area.

EXHIBIT

JAN 27 1981 NO. 6

STATE BUDGET & CONTROL BOARD

5. Firm Selected: (a) Name: Rast and Associates, Consulting Engineers

(b) Address: 517 Wappoo Road, P.O. Box 31839, Charleston, S. C. 29407

6. Contract Terms: (a) Beginning Date: 1/5/81 Ending Date: 3/1/81

(b) Fee: \$3,485 (Est.) (May not exceed \$4,000 under Section 10-5-110.)

(c) Fee Payment Schedule: Upon completion

(d) Source of Funds: Physical Plant - Operation and Maintenance

7. How many firms were contacted regarding this project? Three

8. Attach a copy of notices or advertisements, if any, used in this selection and a copy of the letter agreement or contract as negotiated. None

9. Submit three copies of the completed form and attachments to Budget and Control Board.

13765



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

EXHIBIT

January 13, 1981

JAN 27 1981 NO. 6

Office of the Vice President

STATE BUDGET & CONTROL BOARD

Mr. John A. McPherson, Jr.  
State Engineer  
Office of the State Auditor  
P. O. Box 11333  
Columbia, South Carolina 29211

Dear John:

Enclosed is a State Budget and Control Board Finance Division (Engineering) form for request for approval of selection of architectural or engineering firm under "small" projects procedure for your review and approval.

Cordially,

V. G. Rivers  
Vice President, Institutional Research

VGR:jlw

Enclosure

JAN 27 1981

STATE BUDGET AND  
CONTROL BOARD

13766

FOUNDED 1770





547 WAPPOO RD. P.O. BOX 21839 CHARLESTON, S.C. 29407 (803) 574-3331

**& ASSOCIATES**  
Consulting Engineers

FIELD OFFICE: 4810 N. KINGS HIGHWAY  
MYRTLE BEACH, S.C. 29577  
(803) 469-6344

April 29, 1980

**EXHIBIT**

**JAN 27 1981 NO. 6**

**STATE BUDGET & CONTROL BOARD**

Mr. William H. Sandeford  
Physical Plant  
College of Charleston  
Charleston, South Carolina 29401

Re: The Moisture Problem in the Stern Center

Dear Mr. Sandeford:

Please find enclosed our fee proposal to investigate and make recommendations concerning the solution of the moisture problem at the Stern Center on the College of Charleston Campus.

If you should have questions concerning this proposal, please do not hesitate to call me.

Looking forward to working with you on this very difficult problem, I remain

Very truly yours,

RAST AND ASSOCIATES

George B. Rast, P. E.

GBR/bww

Enclosure

**13767**

EXHIBIT

JAN 27 1981 NO. 6

COLLEGE OF CHARLESTON  
THE STERN CENTER-MOISTURE PROBLEM

STATE BUDGET & CONTROL BOARD

FEE PROPOSAL

Calculations	24 Hours
Review Existing Equipment Selection	16 Hours
Prepare Alternatives For Corrective Action	24 Hours
Economic Analyses	16 Hours
Design Corrective Measures	40 Hours
	<hr/>
	120 Hours

FEE:

Engineering	104 Hours @ \$30.00	= \$ 3120.
Drafting	16 Hours @ \$22.80	= 365.
		<hr/>

TOTAL FEE \$ 3485.

13768



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

## EXHIBIT

January 13, 1981

JAN 27 1981 NO. 6

Office of the Vice President

STATE BUDGET & CONTROL BOARD

Mr. John A. McPherson, Jr.  
State Engineer  
Office of the State Auditor  
P. O. Box 11333  
Columbia, South Carolina 29211

Dear John:

Enclosed is a State Budget and Control Board Finance Division (Engineering) form for request for approval of selection of architectural or engineering firm under "small" projects procedure for your review and approval.

Cordially,

V. G. Rivers  
Vice President, Institutional Research

VGR:jlw

Enclosure

13769

FOUNDED 1770





517 WAPLETON DRIVE  
& ASSOCIATES  
Consulting Engineers

CHARLESTON, S.C. 29407 (803) 734-1111  
FIELD OFFICE: 4010 11th Avenue  
MYRTLE BEACH, S.C.  
(803) 479-1111

April 29, 1980

EXHIBIT

JAN 27 1981 NO. 6

STATE BUDGET & CONTROL BOARD

Mr. William H. Sandeford  
Physical Plant  
College of Charleston  
Charleston, South Carolina 29401

Re: The Moisture Problem in the Stern Center

Dear Mr. Sandeford:

Please find enclosed our fee proposal to investigate and make recommendations concerning the solution of the moisture problem at the Stern Center on the College of Charleston Campus.

If you should have questions concerning this proposal, please do not hesitate to call me.

Looking forward to working with you on this very difficult problem, I remain

Very truly yours,

RAST AND ASSOCIATES

George B. Rast, P. E.

GBR/bww

Enclosure

13770

# EXHIBIT

JAN 27 1981 NO. 6

COLLEGE OF CHARLESTON  
THE STERN CENTER-MOISTURE PROBLEM

STATE BUDGET & CONTROL BOARD

## FEE PROPOSAL

Calculations	24 Hours
Review Existing Equipment Selection	16 Hours
Prepare Alternatives For Corrective Action	24 Hours
Economic Analyses	16 Hours
Design Corrective Measures	40 Hours

120 Hours

### FEE:

Engineering	104 Hours @ \$30.00	= \$ 3120.
Drafting	16 Hours @ \$22.80	= 365.

TOTAL FEE \$ 3485.

13771

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 7

BLUE AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

8

## STATE BUDGET & CONTROL BOARD

Agency: Finance Division  
(Grants and Contracts)

Subject: (a) Special Request for DHEC 208 Water Quality and Management Planning Work Program; and  
(b) Package of 35 Projects Dated January 15, 1981 for Referral to Joint Appropriations Review Committee

(a) The Joint Appropriations Review Committee carried over this project at its December 16, 1980 meeting but now has approved this DHEC program. Please refer to attachment for details.

(b) The package of 35 projects involves \$23,849,117 of federal funds, \$10,986,374 of State funds, and \$2,771,233 of other funds for a total of \$37,606,724. The Grants and Contracts Subcommittee recommendations are presented for Board action and for referral to the Joint Appropriations Review Committee.

### Board Action Requested:

(a) Approve referenced special request for Department of Health and Environmental Control; and

(b) Approve recommendations of Grants and Contracts Subcommittee on referenced package for referral to Joint Appropriations Review Committee.

### Staff Comment:

### Attachments:

(a) Oliver January 22, 1981 memorandum to Putnam; and (b) Patterson January 20, 1981 memo to Putnam plus attachments

13772





# EXHIBIT

JAN 27 1981

NO. 7

## STATE OF SOUTH CAROLINA STATE BUDGET & CONTROL BOARD

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA  
29211

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR  
(803) 758-3106

JESSE A. COLES, JR., PH.D.  
DEPUTY STATE AUDITOR  
(803) 758-3106

### MEMORANDUM

TO: William T. Putnam, Executive Director  
Budget and Control Board

FROM: George F. Oliver, Director of Grant Services *GFO*

DATE: January 22, 1981

SUBJECT: Special Request for DHEC 208 Water Quality Management  
Planning Work Program (1-J04-024)

The Joint Appropriations Legislative Review Committee carried over the attached DHEC request for approval of the 208 Water Quality Planning Program on December 16, 1980. This program was carried over in order to consult with the Water Resources Commission regarding the coordination of ground water management functions of both agencies.

Based on the attached letter of support provided by Clair P. Guess, Director of Water Resources, the Joint Review Committee recommended on January 21, 1981, to approve the program.

It is requested the Budget and Control Board approve the Department of Health and Environmental Control program.

Attachment

13773

STATE AUDITOR'S OFFICE  
GRANTS AND CONTRACTS REVIEW SUMMARY SHEET

Name of Agency: DHEC  
Title of Project: 208  
Proposed Dates: Beginning: 2/1/81 Ending: 1/31/82  
Date of Report: 12/11/80 Prepared by: Elmer Whitten  
Federal Source: Environmental Protection Agency  
Control Number: 1-J04-024 Federal Catalog No. 66426

I. Program

- a. Purpose: To continue the statewide planning process to restore and maintain the chemical, physical and biological integrity of the waters of the state.
- b. Public Benefit: To protect public health and well being, and enhance economic development.
- c. Impact on future State Financing:  
Matching needed for remaining two years.

II. Financial

- a. Total Amount: \$ 246,048
- b. Amount Federal: \$ 178,713 Amount State: \$ 67,335 %  
Amount Other: \$ 0
- c. Funds Available to Match Program: Yes ☐ No ☐  
Amount: \$ 67,335
- d. Fringe Benefits Included: Yes ☐ No ☐  
Amount: \$ 16,800
- e. Indirect Cost: \$ 9,975
- f. Cost Sharing: In Kind: \$ 67,335 Cash: \$ 0
- g. Amount of earned revenue or income expected other than indirect cost collections:  
\$ 0

III. Personnel

- a. Number of new federally funded personnel: Number: 0 Amount: \$ 0
- b. Number of personnel shifted to federal funds as a result of new program or service: Number: 0 Amount: \$ 0
- c. Current number of federally funded positions continuing on this program:  
Number: 8 Amount: \$ 158,653
- d. Number of temporary positions: 0 Amount: \$ 0

Remarks: To be added to JARC and B&C Board Spread Sheets

13774

STATE OF SOUTH CAROLINA  
GRANTS AND CONTRACTS REVIEW UNIT  
P.O. BOX 11333 COLUMBIA, S.C. 29211  
TEL: 803-758-7707

<b>FEDERAL ASSISTANCE</b>		2. APPLICANT'S APPLICATION		3. STATE APPLICATION IDENTIFIER		4. NUMBER <b>1-104-024</b>	
1. TYPE OF ACTION (Mark appropriate box) <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION <input type="checkbox"/> NOTIFICATION OF INTENT (OPL) <input type="checkbox"/> REPORT OF FEDERAL ACTION		5. DATE Year month day 19		6. DATE Year month day 19		7. DATE Year month day 19	
4. LEGAL APPLICANT/RECIPIENT				5. FEDERAL EMPLOYER IDENTIFICATION NO. 576000286			
a. Applicant Name SC Dept. of Health & Environmental Control				b. TITLE Water Pollution Control-Areawide Waste Treatment Management Planning Grant			
c. Organization Unit Environmental Quality Control				d. NUMBER 161614261			
e. Street/P.O. Box 2600 Bull Street				f. TITLE Water Pollution Control-Areawide Waste Treatment Management Planning Grant			
g. City Columbia				h. COUNTY Richland			
i. State South Carolina				j. ZIP Code 29201			
k. Contact Person (Name) John E. Jenkins, P.E.				l. Telephone No. (803) 758-5631			
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT  WATER POLLUTION CONTROL, STATEWIDE CONTINUING PLANNING PROCESS				8. TYPE OF APPLICANT/RECIPIENT A-State B-Substate C-Subcounty D-County E-City F-School District G-Schools Partnership H-Other (Specify) I-Other (Specify) Enter appropriate letter <b>A</b>			
9. TYPE OF ASSISTANCE A-Grants B-Loans C-Other (Specify) Enter appropriate letter <b>A</b>				10. TYPE OF APPLICATION A-New B-Continuation C-Other (Specify) Enter appropriate letter <b>D</b>			
10. AREA OF PROJECT IMPACT (Name of county, counties, State, etc.) State of South Carolina				11. ESTIMATED NUMBER OF PERSONS BENEFITING 2,600,000			
12. PROPOSED FUNDING				13. CONGRESSIONAL DISTRICTS OF:			
a. FEDERAL \$ 606,000 .00				b. APPLICANT \$ 202,000 .00			
c. STATE \$ .00				d. PROJECT \$ 808,000 .00			
e. LOCAL \$ .00				f. OTHER \$ .00			
g. TOTAL \$ 808,000 .00				h. PROJECT DURATION 36 Months			
i. PROJECT START DATE 1981 2 1				j. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY 1980 12 15			
14. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) Environmental Protection Agency, Region IV, Atlanta GA 30365				15. REMARKS ADDED <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16. THE APPLICANT CERTIFIES THAT: a. To the best of my knowledge and belief, this is the true and correct copy of the application and all information is accurate and complete. b. If received by the clearinghouse, this application will be submitted to the appropriate clearinghouse and all responses are accurate. c. State Clearinghouse d. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				17. DATE SIGNED Year month day 1980 12 5			
18. CERTIFYING OFFICER John E. Jenkins, P.E. Deputy Commissioner, EOC				19. SIGNATURE <i>John E. Jenkins</i>			
20. AGENCY NAME				21. APPLICATION RECEIVED Year month day 19			
22. ORGANIZATIONAL UNIT				23. ADMINISTRATIVE OFFICE			
24. ADDRESS				25. FEDERAL APPLICATION IDENTIFICATION			
26. ACTION TAKEN				27. FEDERAL GRANT IDENTIFICATION			
28. FUNDING				29. ACTION DATE 19			
a. FEDERAL \$ .00				30. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)			
b. APPLICANT \$ .00				31. STARTING DATE 19			
c. STATE \$ .00				32. ENDING DATE 19			
d. LOCAL \$ .00				33. REMARKS ADDED <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
e. OTHER \$ .00				34. FEDERAL AGENCY OFFICIAL (Name and telephone number)			
f. TOTAL \$ .00				35. FEDERAL AGENCY ACTION			

GCR-1  
(Form)  
7/1/73

STANDARD FORM 424 PAGE 1 (10-73)  
Prescribed by GSA, Federal Management Circular 101

13775



PART II

SECTION 1--PROPOSED BUDGET CATEGORIES, FIRST YEAR

1. Object Class Categories	(1) Federal	(2) State*	(3) Other*	(4) Other*	(5) Total
a. Personnel	\$ 105,000	\$ 53,653	\$	\$	\$ 158,653
b. Fringe Benefits % 16	16,800	8,585			25,385
c. Travel	12,000				12,000
d. Equipment	---				
e. Supplies	7,000				7,000
f. Contractual	17,333				17,333
g. Construction	---				
h. Other <sup>Adm. Overhead</sup> %10.1	10,605				10,605
i. Total Direct Charges	168,738	63,238			230,976
j. Indirect Charges % 9.5	9,975	5,097			15,072
k. TOTALS	\$ 178,713	\$ 67,335	\$	\$	\$ 246,048
2. Program Income	\$	\$	\$	\$	\$

\* Indicate In Kind (IK) or Cash (C) with the amount at each object class category  
SECTION 2--BUDGET ESTIMATES OF FUNDS NEEDED FOR THE CONTINUATION OF THE PROJECT

(a) Source of Funds	Future Funding Periods (Years)			
	(b) Second	(c) Third	(d) Fourth	(e) Fifth
1. Federal	\$ 225,287	\$ 202,000	\$	\$
2. State	67,333	67,332		
3. Other				
4. Other				
5. TOTALS	\$ 292,620	\$ 269,332		\$

SECTION 3

1. Method of Payment: ☐ Advance ☐ Reimbursement ☒ Letter of Credit  
☐ Other (Identify) \_\_\_\_\_

2. Will specified project obligate or require State appropriations beyond one year?

☒ Yes ☐ No If yes, explain Funds to meet 25% match requirement will be

required for a total of 3 years (see Section 208(f), P.L. 95-217). Funds will  
be derived from general appropriations for the Water Supply program. An increase  
in general appropriations will not be necessitated by the 25% match requirement.

13776

3. Comptroller General's Acct. No. 25070141	4. S. C. Code Authority Titles 44 & 48, 1976	5. Funds <input checked="" type="checkbox"/> Restricted <input type="checkbox"/> Unrestricted
--	---	--

6. Was this Federal Program included in your current agency Budget Request to the Budget and Control Board? ☐ Yes ☒ No  
 If YES, indicate the amount proposed \$ \_\_\_\_\_.

7. If State funds are utilized in this project, are the State funds authorized in the Current Appropriations Act? ☒ Yes ☐ No

8. Are funds included for the audit of the expenditures for this program? ☐ Yes ☒ No

9. If answer to Question 8 is YES, identify funds in budget activity level.

10. If this is for a continuation program, are there any authorized carryover funds available for new funding period? ☐ Yes ☒ No Amount \$ \_\_\_\_\_

11. Project Personnel Information	NUMBER	AMOUNT		
		Federal	State	Other
a. New Positions	0	\$ 0	\$ 0	\$
b. Positions to be Continued	8	105,000	53,653	
c. Temporary Positions	0	0	0	
d. TOTAL NUMBER OF POSITIONS FUNDED (sum of a-c)	8	\$ 105,000	\$ 53,653	\$

12. Will current State appropriated funded personnel be utilized in this federal program? ☐ Yes ☒ No If YES, attach a list of position titles affected and total amount shifted from State funds to Federal or other funds.

#### SECTION 4

1. List the agencies, State and local, who have been consulted or involved in the development of this program. S.C. Land Resources Conservation, S.C. Water Resources Commission
2. Does this program require any other State, local or regional approval? ☐ Yes ☒ No  
 If YES, Identify.
3. Is this program covered by an approved plan? ☒ Yes ☐ No If YES, identify.  
    State 208 Water Quality Management Plan
4. Does this program involve construction, land acquisition, land development or land management? ☐ Yes ☒ No If YES, identify.

**13777**

5. Will any of the funds be granted or contracted to other State agencies?

☒ Yes ☐ No If YES, attach a list of agencies and estimated amounts to be subgranted. S.C. Land Resources \$40,000

6. Indicate by checking the appropriate blocks the supportive services that will be provided or be a component part of this project:

☐ Transportation Services ☐ Medical or Health Services  
☐ Data Processing Services ☒ Other (Identify) Water Quality data,  
☐ Training (Staff or Participants) public participation

7. Does this program require environmental impact statements? ☐ Yes ☒ No

8. Does this program require additional space beyond the amount necessary for current operations? ☐ Yes ☒ No If YES, complete the following:

- a. Are the necessary funds for this additional space included in the amount requested from the federal agency in your proposal? ☐ Yes ☐ No
- b. If NO, explain what arrangements your agency will make to provide the additional space if the program is funded. \_\_\_\_\_

9. Identify the program area this project will support as indicated in the current State Budget Request. Water Pollution Control and Water Supply Programs

#### SECTION 5 - ABSTRACT

Provide a narrative statement which address the following specific itemss:

- A. Describe the public benefit to be derived from the program or service by identifying:
1. The existence, scope and level of need for the program or service; and
  2. The objectives of the program.
- B. Describe how the program effectiveness will be measured. For continuation programs attach a copy of the last performance evaluation.
- C. Describe what action will be taken to continue program if federal funds are withdrawn, decreased or if federal regulations mandate increased State matching funds in subsequent periods.

13778



#### A. Public Benefit and Program Objectives

A statewide, 20-year water quality management plan is required by Section 208 of the Clean Water Act. A state-federal cooperative program for water pollution control has been underway for over 10 years. The prime objective of the State's water pollution control program is to restore and maintain the chemical, physical, and biological integrity of the waters of South Carolina, thereby protecting the public health and wellbeing and enhancing the State's economic development. The 208 water quality management planning program provides an efficient, cost-effective means of achieving this objective.

Initial water quality planning efforts by the State were oriented toward the control of point sources of pollution (i.e. municipal and industrial discharges). However, under the 208 planning process significant effort is now being directed toward the control of nonpoint sources of pollution (i.e. uncontrolled surface runoff from agricultural and construction sites and leachate from hazardous waste sites). It is the specific purpose of this 208 planning grant to facilitate the implementation of a statewide construction nonpoint source pollution control program and develop a comprehensive management strategy to ensure the protection of the quality of the State's ground water resources.

#### B. Program Evaluation

Program progress will be monitored by the MBO method of program management. Additionally, EPA will be copied on a quarterly basis with a comprehensive progress report. It should be noted that EPA is not allowed (by regulation) to award 208 grants unless the grantee is deemed to have been successful in its previous 208 planning efforts. The fact that this is our second 208 Continuous Planning Process (CPP) grant signifies our past and present success in fulfilling 208 water quality management planning goals and requirements.

#### C. Actions Should Federal Funds Not Be Available

Critical elements of the State's 208 Water Quality Management Plan would not be implemented in a timely manner. Also, necessary planning required for the protection of the State's ground water quality would be severely hampered.

State of South Carolina  
Water Resources Commission



EXHIBIT

JAN 27 1981

NO. 7

STATE BUDGET & CONTROL BOARD

Clair P. Guess, Jr.  
Executive Director

January 12, 1981

Representative David F. McInnis,  
Chairman  
Joint Appropriations Review Committee  
House Ways and Means Committee  
P. O. Box 11867  
Columbia, South Carolina 29211

RE: South Carolina Department Health and Environmental Control  
208 Water Quality Planning Grant

Dear Representative McInnis:

Following the recent discussion by the Committee concerning the application by SCDHEC to the U. S. Environmental Protection Agency for fiscal year 1981 Section 208 Planning funds, the Water Resources Commission and the Department of Health and Environmental Control are seeking to satisfactorily coordinate and implement this program between the agencies. The Water Resources Commission fully supports the application to USEPA in order to gain and utilize the funding as soon as possible. The roles of each agency in the 208 Program can be provided for upon preparation of the more detailed Plan of Work to follow. I believe that the groundwater management functions of both agencies can compliment each other in the Section 208 Planning process.

I will be glad to report back to you on our progress.

Sincerely,

Clair P. Guess, Jr.  
Director

CPG:mp

13780

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

## EXHIBIT

JAN 27 1981 NO. 7

### MEMORANDUM

TO: William T. Putnam, Executive Director  
Budget and Control Board

FROM: Grady L. Patterson, Jr., State Treasurer  
Chairman, Grants and Contracts Subcommittee *GLP*

DATE: January 20, 1981

STATE BUDGET & CONTROL BOARD

The attached summary is provided in compliance with Section 4, Act 651 of 1978 (Joint Resolution), to the Budget and Control Board for their necessary action.

When the Legislature is in session, the Budget and Control Board shall furnish their recommendations to the Joint Appropriations Review Committee, which shall furnish to the Board within 14 days a statement of concurrence or nonconcurrence as to the Board's recommendations. If the Committee fails to act within the allotted time, the action of the Budget and Control Board shall be deemed to be approved.

There are 35 projects from 17 state agencies who are requesting the following amounts from federal, state, and other sources:

Federal Funds	\$23,849,117
State Matching	10,986,374
Other Matching	<u>2,771,233</u>
Total	\$37,606,724

(These total funds include \$230,009 in seven subcontracts between state agencies.)

The total number of personnel to be hired or retained on these programs is as follows (new personnel not to exceed authorized ceiling):

New Personnel	Continuing Personnel
Full-Time - 3	Full-Time - 1136.05
Temporary - 50.3	Temporary - 0
<u>53.3</u>	<u>1136.05</u>

The Grants and Contracts Subcommittee recommendations for these programs are reflected in Column 10 of the attached summary.

13781



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

DATE: January 15, 1981

13

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/CFDA/ Program Purpose	GCR In-House Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
1 Joint Legislative Committee on Children	1-A10-001	20,000	5-1-80 5-31-81	18,000 90%	2,000C 10%	0	.1T	1	Subcontract, Governor's Office of Criminal Justice-16,540 To continue an analysis of the management and administrative structure of Criminal Justice agencies to effectively administer to children. Program has established a Juvenile Justice Child Welfare Planning Group developing a children code for the State Law Enforcement and judicial system and social welfare agencies.	Approval	Ten percent state match is provided by Governor's Office for Juvenile Justice grant. Temporary position is student intern.
2 B&C Board, General Services Division	1-F12-001	130,000	4-1-81 3-31-82	65,000 50%	65,000C 50%	0	0	0	Subcontract, Dept. of Archives & History - 15,411 To provide funds for the exterior renovation and restoration of the Caldwell Hampton-Boylston House. Restoration will include necessary carpentry, masonry, and painting work. Stucco will be repaired, waterproofing and drainage corrections made, and roof repaired.	Approval	Matching state funds will be provided from Bond Act 194, Part 1, Section 2.

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Subcommittee Recommendation	Remarks
							New	Cont.			
3 Commission on Higher Education	1-H03-001	133,924	2-2-81 2-1-82	133,924 100%	0	0	0	0	U.S. Dept. of Education - 84.001 To provide funds for renovation of public buildings of higher educational institutions to remove architectural barriers to handicapped persons. 37 percent of the funds will be used for public community colleges and public technical colleges and 63 percent for other higher educational institutions, public and private.	Approval	These funds will be awarded as need is determined by Higher Education Commission awards will be made directly to institutions from the Dept. of Education as approved by the S.C. Commission.
4 Clemson	1-H12-025	21,639	4-1-81 6-30-81	21,639 100%	0	0	0	.4	Corps of Engineers -12.000 To provide a 72-hour training course for 35 Corps of Engineers Civil Works employees responsible for the management of public lands, waters, and natural resources.	Approval	

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
5 Lander College	1-H21-006	13,412	8-1-81 10-31-81	9,835 73%	3,577K 27%	0	0	.25	Dept. of Energy - 81.007 A summer training program to present an overview of energy sources and problems relating to energy in the world community. Program will be provided to 25-130 elementary teachers grades K-8 for Greenwood District 5, Edgefield, Saluda, Laurens District 55, and McCormick counties. Program is designed to improve instruction to elementary students on energy problems.	Approval	
6 S.C. State College	1-H24-013	21,000	6-1-81 5-31-82	21,000 100%	0	0	0	1	U.S. Dept. of Education - 84.029 To continue a program for tuition and fees for students in training for B.S. or M.Ed. degree in special education for the handicapped. Program supports financial assistance for eight students.	Approval	



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel New	Personnel Cont.	Federal Agency/CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
7 S.C. State College	1-H24-014	5,000	8-1-81 10-31-81	0	0	5,000 100%	0	0	Metropolitan Life Foundation - N/A To provide a training program for the S.C. State Library staff on technological developments and innovations available for academic libraries. Program will investigate on-line computer services for users and determine future plans for the maximum use of the library for faculty and students.	Approval	
8 USC	1-H27-055	97,914	7-1-81 6-30-82	97,914 100%	0	0	0	1.1	National Institute for Occupational Safety & Health, HHS - 13.263 To continue a training grant in Occupational Health Program providing training in the basic components of industrial hygiene at the masters degree level. Eight students completed program and six new students are enrolled for FY 1981-82. Support includes student stipends for fees and tuition.	Approval	

13785

DATE: January 15, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/CPDA/ Program Purpose	GCR Unit Recommendation BLC Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
9 USC	1-H27-056	103,185	1-1-81 12-31-81	75,948 74%	27,237K 26%	0	0	2.5	Subcontract, Governor's Office, Handicapped Training Program, HHS-13.451 To provide formal training to case workers in the Developmentally Disabled Evaluation System. Program will provide assessment of progress, information, procedures for evaluation, and on-going technical assistance. Project will also develop reporting system for plans, client files, and progress reports. Graduate students will assist program staff as well as participate in training program.	Approval	Personnel will be shifted from another federal grant to this program. No new personnel will be added.
10 USC	1-H27-057	8,025	12-9-80 5-31-81	8,025 100%	0	0	0	0	Greater Columbia Community Relations Council - 13.341 To provide a sound/slide presentation and brochures describing various health career options, present briefing of programs for classroom teachers, school administrators to insure adequate planning.	Approval	

13786

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	Z of Fed. Funds	Z of State Funds	Z of Other Funds	Personnel		Federal Agency/CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
11 USC	1-H27-058	2,800	1-1-81 12-31-81	0	0	2,800 100%	0	0	Roe Foundation - 00.040 A grant from the Roe Foundation to develop a computer program to determine the extent of clinical training provided to medical students in order to evaluate the quality of clinical training received as part of their medical education. Information will be used to improve quality of training.	Approval	
12 USC-Spartanburg	1-H34-013	16,662	8-1-81 8-31-82	16,662 100%	0	0	0	.6	National Science Foundation 47.048 To continue a program to train teachers for science instruction in the middle/junior high school science program. Program will provide new instruction techniques and training aids in order to upgrade the level of science instruction. Program is follow up to a program in 1980 which trained 16 science principals. This program plans to add 23 new classroom teachers to this successful program.	Approval	

EXHIBIT

JAN 27 1981 NO. 7

STATE BUDGET & CONTROL BOARD

13787



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

DATE: January 13, 1981

13

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
13 MUSC	1-H51-017	131,072	7-1-81 6-30-82	95,185 73%	35,887IK 27%	0	0	0	Public Health Service, HHS 13.859 A continuation of the pre-doctoral training program in pharmacology. Currently there are 10 students enrolled. Program provides stipends, tuition, and fees support averaging \$5,000 per student. Program began in 1977 and this is the last year of the current grant.	Approval	No faculty salaries are paid from this grant. Matching funds are in-kind support for faculty of the Dept. of Pharmacology. Program was not included in FY 1981-82 budget request.
14 MUSC	1-H51-019	130,579	7-1-81 6-30-82	130,579 100%	0	0	0	0	National Institute of Health - 13.837 To continue a training grant for 8 post-doctoral students in drug therapy for cardiovascular disease. Program was initiated in 1977 and will terminate in 1982.	Approval	80 percent of these funds support trainee stipends.

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Staff Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							Low	Cost			
15 MUSC	1-H51-020	9,629	6-1-81 5-30-82	9,629 100%	0	0	0	0	National Science Foundation 47.048 To select and train in a summer program five qualified high school students in the methodology of research. It is planned that these students will interest others and be able to use the facilities of the Medical University for various research projects and thus increase the number of minority students to follow a scientific career. Funds will be used for student stipends only.	Approval	
16 MUSC	1-H51-021	213,819	10-1-81 9-30-82	199,469 93%	14,350K 7%	0	3	1.055 1	Public Health Service, HHS 13.895 A predoctoral training program in family medicine to encourage predoctoral students to consider primary care in general and family practice medicine. Further, program will develop curriculum to supplement traditional course work with practical application of information and skills for all students in the four year predoctoral program in family medicine.	Conditional Approval	Provided new employees are within authorized ceiling of 1981-82 appropriations. Program was not included in current budget request.

13789

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel New	Personnel Cont.	Federal Agency/CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
17 MUSC	1-H51-024	153,900	7-1-81 6-30-82	83,592 54%	70,308IK 46%	0	0	3	Public Health Service, HHS 13.886 To continue for the support for the physicians assistant training program. Graduates of this program are eligible for the National Board Examination for Primary Care Physicians Assistants. Program trains 18 to 20 students per year.	Approval	
18 MUSC	1-H51-025	82,180	7-1-81 6-30-82	82,180 100%	0	0	0	3	Public Health Service, HHS 13.886 A supplemental grant re- quest to 1-H51-024 in order to provide 100 percent federal funding for the physicians assistant train- ing program. Federal agency requested separate requests from the continua- tion request in order to conduct separate reviews.	Approval	

EXHIBIT

JAN 27 1981 NO. 7

STATE BUDGET & CONTROL BOARD

13790



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/CFDA/ Program Purpose	GCR Staff Recommendation BEC Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
19 Piedmont TEC	1-H59-045	65,995	8-1-80 8-30-81	31,796 48%	0	34,199 52%	0	2	U.S. Dept. of Education - 13.510 To provide work experience directly related to students' academic majors in 16 different curricula, serving 140 students, thus affording them earning and learning opportunities.	Approval	
20 State TEC Board	1-H59-046	10,440	2-4-81 7-3-81	10,440 100%	0	0	1T	0	U.S. Dept. of Education through State Dept. of Education - 13.493 To include specific instructional modules in vocational education programs which enhance the students' awareness and knowledge of the current impending energy shortage and the need to conserve energy in all areas of life.	Conditional Approval	Provided the temporary employee is hired for six months or less.

13791

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

13792

January 15, 1981											
State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Full Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
21 Education	1-H63-013	30,000	7-1-81 6-30-82	30,000 100%	0	0	0	0	National Science Foundation 47.408 A program to improve the instructional ability of teachers of earth sciences in elementary and secondary schools. Program will conduct four three-day conferences held at state parks during the school year for instructors. Materials will be provided to improve curriculum.	Approval	
22 ETV Commission	1-H67-018	2,544,036	6-1-81 1-31-83	800,000 31%	0	1,744,036 69%	0	0	National Endowment for the Arts - 45.006 To produce four 20th century opera masterpieces: <u>The Last Savage</u> , <u>Treemonisha</u> , <u>Intermezzo</u> , and <u>Wuthering Heights</u> . Program will be done with three regional opera companies and one will be produced in a studio specifically for the medium of television. This is a challenge grant request to the National Endowment for the Arts.	Approval	NEA provides grant funds on a matching basis. Request includes a potential contribution from Corp of Public Broadcasting \$800,000; Exxon Corp., \$500,000; Mellon Foundation, \$296,036; and the Arthur Vining Foundation, \$148,000; Total, \$1,744,036.

DATE: January 15, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Staff Recommendation BAC Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
23 ETV Commission	1-H67-019	50,000	5-22-81 12-31-81	0	0	50,000 100%	0	0	Consolidated Food Corpora- tion - N/A A grant from the Consoli- dated Food Corporation to produce a series of ten 30-minute programs about the Spoleto Festival 1981 in Charleston. Daily coverage will be provided and fed to nationwide PBS. Series will cover opera, jazz, classical ballet, films, sculpture, country music, drama, and special programs for children.	Approval	Funds will be used for travel, supplies, & some contractual support.
24 DHEC	1-J04-028	5,119,752	7-1-81 6-30-82	4,607,777 90%	511,975C 10%	0	0	219	HHS - 13.217 To provide comprehensive family planning services.	Approval	\$4,288,482 in federal funds were projected in the 1981-82 budget request.
25 DHEC	1-J04-029	114,337	7-1-81 6-30-82	89,168 78%	8,571C 7%	16,598 15%	0	8	HHS - 13.232 To operate a developmental pediatric clinic which provides comprehensive evaluations including habilitation plans for 325 developmentally delayed (mentally retarded) children.	Approval	\$86,377 in federal funds were included in 1981-82 budget request.

13793



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

13794

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation RSC Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
26 Mental Health, Greenville MHC	1-J12-016	673,192	5-1-81 4-30-82	299,995 45%	200,000C 30%	173,197 25%	0	30.2	HHS - 13.295 To provide mental health services to children and their families who have emotional, mental or behavioral problems in Greenville, Anderson, Oconee, and Pickens Counties.	Approval	Federal funds will end on April 1, 1982. Alternative funding sources will be explored. However, it appears that a further reduction of staff, and consequent services will be inevitable. Priority for service will be given to the more seriously disturbed.
27 Mental Health, Tri-County MHC	1-J12-017	1,203,245	7-1-81 6-30-82	849,147 71%	182,098C 15%	172,000 14%	0	49	HHS - 13.295 To provide comprehensive mental health services for the residents of Chesterfield, Marlboro, and Dillon Counties.	Approval	This is the third year of an eight-year federal grant. Increasing state and local funds will be needed to maintain services. \$638,801 were included in the 1981-82 budget request.

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
28 Vocational Rehabilitation	1-L08-007	23,284,157	10-1-80 9-30-81	13,066,356 56%	9,644,398 41%	573,403 3%	48	752	Dept. of Education-84.126 To provide vocational rehabilitation service to eligible clients to enable them to return to gainful employment.	Conditional Approval	Provided temporary employees are hire for six months or less.
29 Vocational Rehabilitation	1-L08-008	1,792,684	10-1-80 9-30-81	1,792,684 100%	0	0	0	32	HHS - 84.127 To provide vocational rehabilitation service to Social Security disability beneficiaries to enable them to return to gainful employment.	Approval	
30 Vocational Rehabilitation	1-L08-009	864,467	10-1-80 9-30-81	864,467 100%	0	0	0	26	HHS - 13.807 To provide vocational rehabilitation services to recipients of Supplemental Security Income.	Approval	

13

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
31 Vocational Rehabilitation	1-L08-010	82,112	7-1-81 6-30-82	82,112 100%	0	0	0	3	Dept. of Education - 84.130 To provide vocational rehabilitation services and work experience for handi- capped youth in public schools to supplement activities of daily living and classroom activities provided by the school district. This demonstra- tion project will operate in Beaufort, Jasper, Lee, and Dillon Counties.	Approval	This project was not included in agency's budget request.
32 Land Resources	1-P08-005	30,000	2-1-81 1-30-82	30,000 100%	0	0	0	0	Dept. of Commerce through S.C. Coastal Council-11.418 To demonstrate the use of conservation tillage (minimum or no tillage) as a means of controlling erosion and sedimentation and improving the quality of water.	Approval	

13796



DATE: January 15, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: January 15, 1981

GCR Unit  
Recommendation  
BEC Board/  
GCR Subcommittee  
Recommendation

13

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel New	Personnel Cont.	Federal Agency/CFDA/Program Purpose	GCR Unit Recommendation	Remarks
33 Land Resources	1-P08-006	5,621	11-20-80 9-19-81	5,621 100%	0	0	1	0	EPA through DHEC - 66.426 To implement the agricultural, construction, and mining portions of the Willingness and Implementation Statement (Letter of Commitment) of the Water Quality Management Plan.	Conditional Approval	Provided the temporary employee is hired for six months or less.
34 Parks, Recreation & Tourism	9-P28-003 Amendment	391,946	2-28-81 2-27-82	195,973 50%	195,973 50%	0	0	0	Dept. of Interior-15.400 To provide for the completion of the construction of the golf course at Hickory Knob State Park. The additional funds are needed due to a decision to enlarge the pro shop and due to inflationary factors.	Approval	The state's share will come from Bond Act 194 of 1979.
35 Parks, Recreation & Tourism	1-P28-003	50,000	1-1-81 7-30-81	25,000 50%	25,000 50%	0	0	0	Dept. of Interior through S.C. Dept. of Archives & History - 15.411 To develop the most desirable recreation and historic preservation locations for the two areas (Oconee and Redcliffe State Parks) to permit maximum public use while protecting and interpreting the historic qualities of the properties.	Approval	

EXHIBIT

NO. 7

JAN 27 1981

STATE BUDGET & CONTROL BOARD

13797

EXHIBIT

JAN 27 1981

NO. 7

STATE BUDGET &amp; CONTROL BOARD //

STATE BUDGET AND CONTROL BOARD

# EXHIBIT

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

JAN 27 1981

NO.

8

ITEM NUMBER

2

STATE BUDGET & CONTROL BOARD

Agency: State Personnel Division

Subject: Assistance to employees terminated in a reduction-in-force.

The Board will be asked to review procedures by which the State Personnel Division will assist employees terminated as a result of a reduction-in-force in securing other employment.

Board Action Requested:

Staff Comment:

**13798**

Attachments:

Letter from Mr. Larry G. Ellis to the Governor and the Governor's reply to Mr. Ellis.



EXHIBIT

JAN 27 1981 NO. 8

STATE BUDGET & CONTROL BOARD

State of South Carolina

Office of the Governor

RICHARD W. RILEY  
GOVERNOR

POST OFFICE BOX 11450  
COLUMBIA 29211

September 16, 1980

Mr. Larry G. Ellis  
Executive Director  
South Carolina State Employees Association  
Post Office Box 5206  
Columbia, South Carolina 29250

Dear Larry:

I appreciated receiving your letter of September 11, concerning the Budget and Control Board's recommendation of a seven percent reduction in personal service money for the 1981-82 budget. I have asked my staff to work with Ed Vaughn and Jack Mullins on your suggested proviso. Hopefully they will make a recommendation to the Board at its October 14 meeting.

Thank you again.

Yours sincerely,

Richard W. Riley

RWR/cge

RECEIVED  
SEP 22 1980

S. C. STATE  
PERSONNEL DIVISION

13799



South Carolina  
State Employees Association

September 11, 1980 2001 ASSEMBLY ST. • P. O. BOX 5206 • COLUMBIA, SOUTH CAROLINA 29250 • (803) 765-0660

EXHIBIT

The Honorable Richard W. Riley  
Governor of South Carolina  
P. O. Box 11450  
Columbia, S. C. 29211

JAN 27 1981 NO. 8

STATE BUDGET & CONTROL BOARD

Dear Governor Riley:

In view of the recommendations you have submitted as these relate to state employees, and particularly your recommendation of a 7% reduction in personal service money in the 1981-82 Budget, I feel there is need for a provision to address job security for state employees.

In my discussions with Ed Vaughn and some public statements I've read by members of the Board, I fully appreciate and support your desire not to have employees lose their jobs because of this reduction. You have urged agencies to plan their strategy now to absorb the 7% reduction through the non-filling of vacancies and any other areas that might be used to absorb the cut.

Very frankly, I do not see that agencies can absorb this without adversely affecting some employees. Therefore, I suggest to you that the Board include a provision in the Budget Bill for 1981-82 that gives employees strong employment protection. That is, a provision that states in effect: if an employee is displaced because of this 7% reduction, or any other reduction in personal service money, that employee will be employed in another state position for which he or she qualifies. This simply means that we would not encounter what to me would be a very sad situation--one state agency laying off employees while another state agency employs people. I feel a provision of this nature is essential in the Budget Bill for 1981-82, and that it must be enforced without exception. SCSEA stands ready to lobby in support of this proposal.

I suggest a provision along this line: "PROVIDED, that any employee of the state who is laid-off from his position shall be employed in any state position for which they qualify. The Budget and Control Board will maintain a list of those employees laid-off and will place these employees in positions for which they qualify in other state agencies and institutions. No other person shall be employed by the state while there are laid-off employees eligible for these positions. The Budget and Control Board shall establish a policy in addition to the

Continued



MEMBER-ASSEMBLY  
OF GOVERNMENTAL  
EMPLOYEES (AGE)

RECEIVED  
SEP 12 1980

S. C. STATE  
PERSONNEL

13800

The Honorable Richard W. Riley

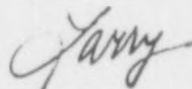
2

September 11, 1980

Reduction-in-Force Policy which provides for movement of laid-off employees to positions in other state agencies and institutions."

I hope something like this will be included in your recommendations when they go to the legislature.

Very best wishes,



Harry G. Ellis  
Executive Director

LGE:bmp

CC: Senator John Drummond  
Representative Patrick B. Harris  
Ed Vaughn  
Dr. Jack S. Mullins

13801

DRAFT

# EXHIBIT

JAN 27 1981 NO. 8

STATE BUDGET & CONTROL BOARD

## M E M O R A N D U M

TO: Agency Directors and Personnel Directors of All Agencies,  
Departments, Institutions and Commissions

FROM: Jack S. Mullins

DATE:

SUBJECT: Procedure for Filling Vacancies

In order to assist employees who have been terminated as a result of a Reduction-in-Force in seeking to continue employment with the State, the Budget and Control Board has established the following procedure to be followed by all agencies in filling vacancies:

1. The agency personnel office, upon earliest determination of the upcoming termination of an employee's services due to a RIF, will counsel the employee to determine if he/she seeks to remain in State service.
2. If the employee indicates a desire to stay with the State, a State employment application will be completed and sent to the State Personnel Division Recruitment Unit.
3. The State Personnel Division Recruitment Unit will screen the application to ensure that it has been properly completed and route it to the State Personnel Division Data Processing Unit which will create a file record for the employee.
4. The State Personnel Division Recruitment Unit will file the application and will notify the employee.

13802



5. When a vacancy in a State agency is to be filled, the agency will request a RIF Class list from the Recruitment Unit. This list will contain the names of all employees who were in the same classification as the vacancy when they lost state employment due to a RIF. Copies of the application will accompany this listing.
6. Should no file exist for the vacant class, notification of such will be sent to the requesting agency by the State Personnel Division.
7. All new hires, which are recorded on the Personnel Advice and Information Sheet (PAIS), must be accompanied by either:
  - a. The notification from State Personnel Division that no RIF list for this class existed, or
  - b. The RIF Class list and accompanying copies of the applications.
8. Should the agency attach the RIF Class List, an indication of the action taken on each candidate will be required. This action taken can be one (1) of the following:
  - a. Considered for employment.
  - b. Unable to contact or locate the candidate.
  - c. The candidate was not interested in this job.
  - d. Hired this candidate.
9. A new hire that does not have either of these documents attached will not be processed.

If you have any questions concerning this matter, please contact Mr. Bob Mayben, Recruitment Manager, or any member of his staff at 758-8660.

JSM/omc

13803

# EXHIBIT

JAN 27 1981 NO. 8

DRAFT MEMORANDUM

STATE BUDGET & CONTROL BOARD

TO: All Employees Terminated due to Reduction in Force  
FROM: Robert S. Mayben, Jr., Manager, Recruiting Unit  
DATE: December 15, 1980  
SUBJECT: Assistance in Securing Other State Employment

The State Personnel Division is offering its assistance should you desire to remain employed in State Government.

When you are notified of a pending Reduction in Force, you should complete a State employment application (PD-10D). Your Personnel Office will forward this application to the State Personnel Division Recruiting Unit.

A special list will be developed for all R.I.F. employees, and will be sent to an agency, along with a copy of your application when a vacancy occurs in that agency for a position in the same class from which you were terminated. Priority consideration for employment will always be given to the R.I.F. employee.

Should you desire to be considered for a position in a class other than the one you now occupy, an additional application (PD-10D) should be completed and this application will be handled in the standard manner.

The above procedure is in addition to the Merit System procedure. Your application will be available to all State agencies.

We urge you to avail yourself of this service so that we may assist you in finding other employment opportunities in State Government.

RSM/omc

13804

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

JAN 27 1981

NO. 9

ITEM NUMBER

3

STATE BUDGET & CONTROL BOARD

Agency: State Personnel Division

Subject: Report on Hiring in State Agencies.

Information will be provided to the Board on the hiring of new employees in the various state agencies.

Board Action Requested:

Staff Comment:

Attachments:

13805



AGN	AGENCY TITLE	07/01/80-09/30/80			10/01/80-12/31/80			01/01/81-03/31/81			04/01/81-06/30/81			FY-TO-DATE	
		NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	% OF
CDE		HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS
040	JUDICIAL	28	352	7.95	7	351	1.99	7	350	2.00				42	11.96
045	COMM ON APPELLATE DEFENSE	5	17	29.41	1	17	5.88	0	17					6	35.29
05A	GOVERNORS OFFICE	1	22	4.54	0	22		1	22	4.54				2	9.09
05B	STATE LAW ENFORCEMENT DIV	8	361	2.21	2	360	.55	2	362	.55				12	3.32
05C	OFFICE OF EXEC POLICY/PROGRAMS	12	340	3.52	4	337	1.18	6	335	1.79				22	6.52
05E	STATE HOUSING AUTHORITY	4	35	11.42	1	36	2.77	0	36					5	14.01
05F	S.C. COMM. ON HUMAN AFFAIRS	2	46	4.34	3	46	6.52	0	46					5	10.86
05G	MANSION & GROUNDS	0	4		0	4		0	4					0	
05H	COMMISSION ON WOMEN	0	1		0	1		0	1					0	
05L	CHILDREN'S FOSTER CARE REV BD	2	12	16.66	1	12	8.33	0	12					3	25.00
06A	LT GOVERNORS OFFICE	0	5		0	5		0	5					0	
07A	STATE ELECTION COMMISSION	0	15		2	17	11.76	0	17					2	12.24
070	SECRETARY OF STATE	0	21		0	21		0	21					0	
08A	CNTY AUDITORS & TREASURERS	0	92		1	92	1.08	0	92					1	1.08
080	COMPTROLLER GENERALS OFFICE	4	63	6.34	1	63	1.58	0	63					5	7.93
090	ATTORNEY GENERALS OFFICE	11	210	5.23	2	211	.94	4	210	1.90				17	8.08
100	STATE TREASURER	3	40	7.50	0	40		0	40					3	7.50
110	ADJUTANT GENERAL	4	114	3.50	4	114	3.50	0	113					8	7.03
12A	FRANCIS MARION	24	287	8.36	0	286		1	287	.34				25	8.72
120	UNIVERSITY OF SOUTH CAROLINA	338	4,905	6.89	76	4,905	1.54	51	4,908	1.03				465	9.47
130	CITADEL	40	568	7.04	7	568	1.23	3	569	.52				50	8.79
135	COLLEGE OF CHARLESTON	32	605	5.28	5	604	.82	6	603	.99				43	7.11
140	CLEMSON UNIVERSITY	164	3,777	4.34	57	3,772	1.51	26	3,772	.68				247	6.54
150	WINTHROP	52	655	7.93	4	649	.61	2	643	.31				58	8.93
160	MEDICAL UNIVERSITY	392	5,188	7.55	179	5,133	3.48	40	5,143	.77				611	11.85

13806

STATE BUDGET & CONTROL BOARD

JAN 27 1981

NO. 9

EXHIBIT

AGN	CDE	AGENCY TITLE	07/01/80-09/30/80			10/01/80-12/31/80			01/01/81-03/31/81			04/01/81-06/30/81			FY-TO-DATE	
			TOTAL NEW HIRES	TOTAL POSNS	HIRES % OF POSNS	TOTAL NEW HIRES	TOTAL POSNS	HIRES % OF POSNS	TOTAL NEW HIRES	TOTAL POSNS	HIRES % OF POSNS	TOTAL NEW HIRES	TOTAL POSNS	HIRES % OF POSNS	TOTAL NEW HIRES	HIRES % OF POSNS
		170 S C STATE COLLEGE	36	722	4.98	7	715	.97	3	715	.41				46	6.41
		175 LANDER	14	225	6.22	2	226	.88	2	227	.88				18	7.96
		180 JOHN DE LA HOWE SCHOOL	7	75	9.33	1	75	1.33	5	75	6.66				13	17.33
		190 SCHOOL FOR DEAF & BLIND	48	456	10.52	5	456	1.09	6	451	1.33				59	12.98
		20A DEPT OF EDUCATION	40	1,093	3.65	28	1,093	2.56	11	1,093	1.00				79	7.22
		210 WIL LCU GRAY OPPORTUNITY SCH	7	79	8.86	2	82	2.43	1	81	1.23				10	12.35
		220 S C ETV COMMISSION	21	426	4.92	12	422	2.84	1	422	.23				34	8.03
		230 STATE LIBRARY	1	49	2.04	3	49	6.12	1	49	2.04				5	10.20
		24A TRIDENT TECHNICAL COLLEGE	28	467	5.99	17	453	3.75	6	452	1.32				51	11.15
		24B CHES-MARLBORO TECH COLLEGE	1	78	1.28	1	75	1.33	0	75					2	2.63
		24C FLO-DARLINGTON TECH COLLEGE	21	204	10.29	11	205	5.36	1	207	.48				33	16.07
		24D GREENVILLE TECHNICAL COLLEGE	11	421	2.61	16	417	3.83	2	418	.47				29	6.92
		24E HOKKY-GEORGETOWN TECH COLLEGE	4	124	3.22	5	117	4.27	0	119					9	7.50
		24F MIDLANDS TECHNICAL COLLEGE	14	432	3.24	10	421	2.37	3	422	.71				27	6.35
		24G ORANGEBURG-CALHCUN TECH COLL	6	159	3.77	1	154	.64	0	154					7	4.49
		24H PIEDMONT TECHNICAL COLLEGE	13	168	7.73	4	171	2.33	2	172	1.16				19	11.15
		24J SPARTANBURG TECHNICAL COLLEGE	27	168	16.07	2	168	1.19	2	168	1.19				31	18.45
		24K SUMTER AREA TECH COLLEGE	8	137	5.83	7	137	5.10	0	138					15	10.92
		24L TRI-COUNTY TECH COLLEGE	6	185	3.24	8	176	4.54	0	177					14	7.80
		24M YORK TECHNICAL COLLEGE	11	124	8.87	1	123	.81	1	127	.78				13	10.42
		24N AIKEN TECHNICAL COLLEGE	4	114	3.50	6	110	5.45	1	110	.90				11	9.88
		24Q DENMARK TECHNICAL COLLEGE	9	96	9.37	2	94	2.12	1	107	.93				12	12.12
		24R BEAUFORT TECHNICAL COLLEGE	7	121	5.78	5	117	4.27	2	117	1.70				14	11.83
		24S WILLIAMSBURG TECHNICAL COLLEGE	3	85	3.52	3	80	3.75	0	78					6	7.40
		240 ST BD FOR TECH AND COMP ED	7	173	4.04	5	171	2.92	0	172					12	6.97
		250 DEPT OF ARCHIVES & HISTORY	6	130	4.61	6	131	4.58	2	131	1.52				14	10.71

13807

EXHIBIT  
JAN 27 1981  
NO. 9  
STATE BUDGET & CONTROL BOARD

		07/01/80-09/30/80			10/01/80-12/31/80			01/01/81-03/31/81			04/01/81-06/30/81			FY-TO-DATE	
AGN		TOTAL NEW	HIRES TOTAL	HIRES % OF POSNS	TOTAL NEW	HIRES TOTAL	HIRES % OF POSNS	TOTAL NEW	HIRES TOTAL	HIRES % OF POSNS	TOTAL NEW	HIRES TOTAL	HIRES % OF POSNS	TOTAL NEW	HIRES TOTAL
(CODE)	AGENCY TITLE	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS
260	ARTS COMMISSION	2	52	3.84	2	52	3.84	2	52	3.84				6	11.53
270	CONFEDERATE RELIC ROOM	0	5		0	5		0	5					0	
280	DEPT OF SOCIAL SERVICES	135	4,807	2.80	90	4,791	1.04	19	4,792	.39				204	4.25
290	COMMISSION FOR THE BLIND	7	144	4.86	2	144	1.38	1	144	.69				10	6.94
30A	MENTAL HEALTH ADM	15	247	6.07	4	248	1.61	0	249					19	7.66
30B	MEN HLTH-COMM MENTAL HLTH SVCS	41	896	4.57	34	858	3.96	3	860	.34				78	8.95
30D	MEN HLTH-CRAFTS-FARROW ST HOSP	67	1,548	4.32	45	1,549	2.90	9	1,551	.58				121	7.80
30E	MEN HLTH-WM S HALL PSYCH INST	28	298	9.39	4	298	1.34	1	300	.33				33	11.04
30F	MEN HLTH-CM TUCKER HUMN RES CN	11	261	4.21	5	261	1.91	2	262	.76				18	6.88
30H	MEN HLTH-MORRIS VILLAGE	2	195	1.02	3	196	1.53	3	186	1.61				8	4.15
30J	MEN HLTH-G.WERBER BRYAN PSY HS	39	475	8.21	27	474	5.69	5	473	1.05				71	14.97
300	MEN HLTH-S.C. STATE HOSPITAL	60	1,745	3.43	44	1,742	2.52	1	1,743	.05				105	6.02
311	MENTAL RETARDATION ADM	4	103	3.88	5	102	4.90	3	103	2.91				12	11.68
312	MEN RETARD-MIDLANDS CENTER	81	1,095	7.39	51	1,086	4.69	26	1,087	2.39				158	14.50
313	MEN RETARD-WHITTEN VILLAGE	203	2,213	9.17	67	2,207	3.03	18	2,207	.81				238	13.03
314	MEN RETARD-COASTAL CENTER	31	798	3.88	19	789	2.40	7	790	.88				57	7.19
316	MEN RETARD-PEE DEE CENTER	50	720	6.94	28	720	3.88	3	722	.41				81	11.23
330	VOCATIONAL REHABILITATION	25	1,138	2.19	14	1,121	1.24	6	1,121	.53				45	3.99
340	STATE PARK HLTH CENTER	5	249	2.00	0	248		0	245					5	2.02
350	COMMISSION ON ALCOHOLISM	1	87	1.14	2	87	2.29	2	86	2.32				5	5.76
360	CHILDRENS BUREAU	4	33	12.12	2	33	6.06	0	33					6	18.18
370	PROBATION, PAROLE & PARDON BD	13	296	4.39	5	296	1.68	2	295	.67				20	6.76
380	DEPT OF CORRECTIONS	165	2,252	7.32	91	2,303	3.95	9	2,322	.38				265	11.56
39A	JUV PLACEMENT & AFTERCARE	15	250	6.00	6	250	2.40	3	250	1.20				24	9.60
390	DEPT OF YOUTH SERVICES	43	730	5.89	26	730	3.56	12	730	1.64				81	11.09
44A	FINANCE DIVISION	6	165	3.63	5	165	3.03	0	165					11	6.66

13808

EXHIBIT

JAN 27 1981

NO. 9

STATE BUDGET & CONTROL BOARD

13808

STATE BUDGET & CONTROL BOARD

JAN 27 1981

EXHIBIT

NO. 9



S.C. PERSONNEL DIVISION  
PROGRAM NUMBER PDSPEC30

NEW HIRES FOR FISCAL YEAR 1981  
AGENCY SUMMARY

RUN DATE 01/26/81  
PAGE NUMBER 4

AGN	COE	AGENCY TITLE	07/01/80-09/30/80			10/01/80-12/31/80			01/01/81-03/31/81			04/01/81-06/30/81			FY-TO-DATE	
			NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	TOTAL	% OF	NEW	% OF
			HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS	POSNS	HIRES	POSNS
44B		GENERAL SERVICES DIVISION	20	590	3.38	19	589	3.22	12	587	2.04				51	8.66
44C		RETIREMENT DIVISION	5	92	5.43	3	94	3.19	0	94					8	8.57
44D		STATE PERSONNEL DIVISION	6	138	4.34	1	139	.71	0	139					7	5.04
44E		RESEARCH & STATISTICAL SERV	8	71	11.26	0	70		0	70					8	11.37
44F		MOTOR VEHICLE MANAGEMENT DIV	0	20		2	19	10.52	0	21					2	10.00
44H		OFFICE OF THE EXEC DIR B&C BD	2	12	16.66	0	12		0	12					2	16.66
44J		DIVISION OF LOCAL GOVERNMENT	1	3	33.33	0	3		0	3					1	33.33
44K		DIVISION OF STATE FIRE MARSHAL	28	32	87.50	0	32		1	32	3.12				29	90.62
455		DEPT OF HLTH AND ENV CONTROL	98	3,751	2.61	66	3,730	1.76	38	3,736	1.01				202	5.40
470		DAIRY COMMISSION	0	7		0	7		0	7					0	
480		TAX COMMISSION	18	638	2.82	0	637		0	638					18	2.82
490		INSURANCE DEPT	5	121	4.13	1	121	.82	0	121					6	4.95
500		CONTRACTORS LICENSING BOARD	2	7	28.57	0	7		0	7					2	28.57
505		SC RESDIL HOME BLDGS COMM	0	8		0	8		0	8					0	
510		VETERAN'S AFFAIRS	2	22	9.09	0	22		0	22					2	9.09
520		DEPT OF AGRICULTURE	2	225	.88	0	221		0	219					2	.90
540		FORESTRY COMMISSION	11	642	1.71	30	642	4.67	3	642	.46				44	6.85
550		ST BD REGISTRATICN-FORESTERS	1	1	100.00	0	1		0	1					1	100.00
560		LAND RESOURCES CONSERV COMM	3	61	4.91	2	61	3.27	1	62	1.61				6	9.78
570		DEPT OF LABOR	8	140	5.71	8	141	5.67	1	142	.70				17	12.05
580		EMPLOYMENT SECURITY COMM	48	1,432	3.35	61	1,438	4.24	7	1,432	.48				116	8.08
585		SECOND INJURY FUND	0	8		1	8	12.50	0	8					1	12.50
590		INDUSTRIAL COMMISSION	6	70	8.57	1	70	1.42	1	76	1.31				8	11.11
595		STATE WRKMNS COMP FUND	1	33	3.03	4	36	11.11	0	36					5	14.28
600		SC WILDLIFE RESOURCES DEPT	18	747	2.40	1	741	.13	0	740					19	2.55
610		COASTAL COUNCIL, S.C.	1	26	3.84	2	26	7.69	1	28	3.57				4	15.00

13809

EXHIBIT  
JAN 27 1981  
STATE BUDGET & CONTROL BOARD  
NO. 9

		07/01/80-09/30/80				10/01/80-12/31/80				01/01/81-03/31/81				04/01/81-06/30/81				FY-TO-DATE			
		TOTAL		HIRES		TOTAL		HIRES		TOTAL		HIRES		TOTAL		HIRES		TOTAL		HIRES	
		NEW		% OF		NEW		% OF		NEW		% OF		NEW		% OF		NEW		% OF	
AGN	AGENCY TITLE	HIRES	POSNS	PCSNS	TOTAL	HIRES	POSNS	PCSNS	TOTAL	HIRES	POSNS	PCSNS	TOTAL	HIRES	POSNS	PCSNS	TOTAL	HIRES	POSNS	PCSNS	
CDE																					
62A	ST BD CF FIN INST-EXAM DIV	3	27	11.11	0	27	0	27	0	0	27	0	27	0	27	0	27	3	11.11	0	
62B	ST BD CF FIN INST-CON FIN	0	8		0	8	0	8	0	0	8	0	8	0	8	0	8	0		0	
62C	DEPT CF CONSUMER AFFAIRS	1	39	2.56	1	39	2.56	0	39	0	39	0	39	0	39	0	39	2	5.12	2	
630	PUBLIC SERVICE COMMISSION	7	145	4.82	0	144	3	144	2.08	3	144	2.08	3	144	2.08	3	144	10	6.92	10	
635	CLARK HILL-RUSSELL AUTHORITY	0	3		0	3	0	3	0	0	3	0	3	0	3	0	3	0		0	
640	AERONAUTICS COMMISSION	2	37	5.40	1	36	2.77	0	36	0	36	0	36	0	36	0	36	3	8.25	3	
650	STATE DEVELOPMENT BOARD	6	64	9.37	1	64	1.56	1	64	1.56	1	64	1.56	1	64	1.56	1	64	8	12.50	8
680	COMMISSION ON AGING	0	31		0	31	0	31	0	0	31	0	31	0	31	0	31	0		0	
700	DEPT HIGHWAYS AND PUBLIC TRANS	194	6,809	2.84	88	6,805	1.29	33	6,794	.48	33	6,794	.48	33	6,794	.48	33	315	4.63	315	
710	ALCOHOLIC BEVERAGE COMM	3	65	4.61	0	64	0	64	0	0	64	0	64	0	64	0	64	3	4.66	3	
715	SC ETHICS COMMISSION	0	4		0	4	0	4	0	0	4	0	4	0	4	0	4	0		0	
720	WATER RESOURCES COMMISSION	3	49	6.12	0	49	1	51	1.96	1	51	1.96	1	51	1.96	1	51	4	8.05	4	
725	S.C. SEA GRANT CONSORTIUM	1	8	12.50	5	7	71.42	0	8	0	8	0	8	0	8	0	8	6	78.26	6	
730	PARKS RECREATION & TOURISM	32	434	7.37	13	439	2.96	3	438	.68	3	438	.68	3	438	.68	3	48	10.98	48	
735	OLD EXCHANGE BUILDING COMM	0	1		0	1	0	1	0	0	1	0	1	0	1	0	1	0		0	
745	HIGHER ED TUITION GRANTS	2	7	29.57	1	7	14.28	0	7	0	7	0	7	0	7	0	7	3	42.85	3	
750	HIGHER EDUC COMMISSION	0	20		1	20	5.00	0	20	0	20	0	20	0	20	0	20	1	5.00	1	
755	ADV COUNCIL VOC & TEC ED	0	3		0	3	0	3	0	0	3	0	3	0	3	0	3	0		0	
760	CRIMINAL JUSTICE ACADEMY	2	54	3.70	1	54	1.85	0	54	0	54	0	54	0	54	0	54	3	5.55	3	
765	LAW ENF OFF HALL OF FAME	0	2		0	2	0	2	0	0	2	0	2	0	2	0	2	0		0	
770	PATRICKS POINT DEV AUTH	2	29	6.89	0	25	1	25	4.00	1	25	4.00	1	25	4.00	1	25	3	11.39	3	
790	STATE MUSEUM COMMISSION	3	14	21.42	0	14	0	14	0	0	14	0	14	0	14	0	14	3	21.42	3	
800	SI BD OF ACCOUNTANCY	1	3	33.33	0	3	0	3	0	0	3	0	3	0	3	0	3	1	33.33	1	
805	SPEECH PATH & AUD EXAM BD	0	1		0	1	0	1	0	0	1	0	1	0	1	0	1	0		0	
810	ARCHITECTURAL EXAMINERS BOARD	0	2		0	2	0	2	0	0	2	0	2	0	2	0	2	0		0	
812	S.C. AUCTIONEERS COMMISSION	0	2		0	2	0	2	0	0	2	0	2	0	2	0	2	0		0	

13810

EXHIBIT

JAN 27 1981

NO. 9

STATE BUDGET & CONTROL BOARD

S.C. PERSONNEL DIVISION  
PROGRAM NUMBER PDSPEC30

NEW HIRES FOR FISCAL YEAR 1981  
AGENCY SUMMARY

PUN DATE 01/26/81  
PAGE NUMBER 6

AGN	CDE	AGENCY TITLE	07/01/80-09/30/80				10/01/80-12/31/80				01/01/81-03/31/81				04/01/81-06/30/81				FY-TOT-DATE			
			TOTAL HIRES	TOTAL POSNS	% OF NEW	TOTAL HIRES	TOTAL POSNS	% OF NEW	TOTAL HIRES	TOTAL POSNS	TOTAL HIRES	TOTAL POSNS	% OF NEW	TOTAL HIRES	TOTAL POSNS	% OF NEW	TOTAL HIRES	TOTAL POSNS	% OF NEW	TOTAL HIRES	TOTAL POSNS	% OF NEW
815		PHARMACEUTICAL EXAM BD	0	2		0	2		0	2	0	2		0	2		0	2		0	2	
820		COSMETIC ART EXAMINERS BOARD	2	8	25.00	0	8		0	8	0	8		0	8		0	8		0	8	
825		ST BD EXMRS NURS HOME ADHSTRS	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
830		BARBER EXAMINING BOARD	0	5		0	5		0	5	0	5		0	5		0	5		0	5	
835		S.C. BD OF CHIROPRACTIC EXMRS	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
840		STATE BD OF FUNERAL SERVICES	0	2		0	2		0	2	0	2		0	2		0	2		0	2	
845		ST BD EXAM & REGIS PHYS THERPST	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
850		S.C. REAL ESTATE BOARD	1	18	5.55	0	18		0	18	0	18		0	18		0	18		0	18	
860		ENGINEERING EXAMINING BOARD	0	5		0	5		0	5	0	5		0	5		0	5		0	5	
865		S.C. BD OF CERT OF ENV SYS OPER	1	3	33.33	1	3	33.33	0	3	0	3		0	3		0	3		0	3	
870		S.C. STATE BOARD OF NURSING	0	16		0	16		0	16	0	16		0	16		0	16		0	16	
877		SC BD OF EXAM IN OPTICIANRY	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
878		SC BD OF EXAM IN OPTOMETRY	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
880		VETERINARY EXAMINING BOARD	0	1		0	1		0	1	0	1		0	1		0	1		0	1	
890		ST BD OF MEDICAL EXAMINERS	3	13	23.07	1	13	7.69	0	13	0	13		0	13		0	13		0	13	

STATEWIDE TOTALS 3,102 61,884 5.01 1,384 61,666 2.24 446 61,707 .72 4,932 7.98

EXHIBIT  
JAN 27 1981 NO. 9  
STATE BUDGET & CONTROL BOARD

13811



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 10

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

4

STATE BUDGET & CONTROL BOARD

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Agency: Budget and Control Board  
(Ad Hoc Committee)

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Subject: Recommendations on Title XX Transfer and Day Care Issues  
To be presented at the meeting.

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Board Action Requested:

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Staff Comment:

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Attachments:

13812

EXHIBIT

JAN 27 1981 NO. 10

STATE BUDGET & CONTROL BOARD

RECOMMENDATIONS RELATED TO ADMINISTRATION OF TITLE XX PROGRAM

Adopted by Budget and Control Board January 27, 1981

I. Development of Title XX Plan

- A. Leave the development of the Title XX plan with the Board of Social Services, the Governor and the Social Services Advisory Committee.
- B. Modify the law to require that DSS furnish the Governor and the Budget and Control Board with a proposed plan no later than July 15 of each year.
- C. Change the law to require that DSS and the Governor complete their agreement on the proposed plan by October 1 of each year. Change the law to provide that should DSS and the Governor fail to reach an agreement on the proposed plan by October 1, then the Governor shall be required to see that the last approved plan is published as the proposed plan.
- D. Public hearings on the proposed plan should be completed as soon as possible after October 1 and the reports of such hearings should be furnished to the Governor no later than December 15.
- E. Change the law to require that the Department of Social Services and the Governor complete their agreement on the plan by January 1.
- F. Change the law to provide that should DSS and the Governor fail to reach an agreement on the plan by January 1, then the Governor shall be required to see that the last approved plan continues for the next fiscal year in the same form as currently in existence.

II. Funding for Child Development for 1981-82

- A. Restore 70% of the 1980-81 State funding (excluding supplemental funds) and 70% of the State funded positions to the direct day care operations.
- B. Move 30% of 1980-81 State funding and 30% of the 1980-81 authorized positions from direct day care to a line item entitled "Child Development and Day Care." Include a proviso which would permit, with the approval of the Budget and Control Board, the expenditure of these funds for either direct day care operations or child development and day care services which might be provided through contracts.
- C. Include a proviso requiring DSS to submit to the SSAC on or before October 1, 1981, a center-by-center progress report on child development and day care operations and on progress toward movement to contractual services.

III. Temporary Title XX Proviso

- A. Reword the recommended proviso so as to provide the following: A pro rata reduction of Title XX funds to all participating agencies (State and other) should the total allocation of Title XX dollars to South Carolina be reduced in fiscal year 1981-82.

13813

EXHIBIT

JAN 27 1981

NO. 10

STATE BUDGET & CONTROL BOARD

RECOMMENDATIONS

Ad Hoc Committee as modified  
by Staff

I. Development of Title XX Plan

- A. Leave the development of the Title XX plan with the Board of Social Services, the Governor and the Social Services Advisory Committee.
- B. Modify the law to require that DSS furnish the Governor and the Budget and Control Board with a proposed plan no later than July 15 of each year.
- C. Change the law to require that DSS and the Governor complete their agreement on the proposed plan by October 1 of each year. Change the law to provide that should DSS and the Governor fail to reach an agreement on the proposed plan by October 1, then the Governor shall be required to see that the last approved plan is published as the proposed plan.
- D. Public hearings on the proposed plan should be completed as soon as possible after October 1 and the reports of such hearings should be furnished to the Governor no later than December 15.
- E. Change the law to require that the Department of Social Services and the Governor complete their agreement on the plan by January 1.
- F. Change the law to provide that ~~should DSS fail to furnish the plan by July 15 or~~ should DSS and the Governor fail to reach an agreement on the plan by January 1, then the Governor shall be required to see that the last approved plan continues for the next fiscal year in the same form as currently in existence. ~~After January 1, the plan could be changed as the result of legislative or congressional action.~~

II. Funding for Child Development for 1981-82

- A. Restore 70% of the 1980-81 State funding (excluding supplemental funds) and 70% of the State funded positions to the direct day care operations.
- B. Move 30% of 1980-81 State funding and 30% of the 1980-81 authorized positions from direct day care to a line item entitled "Child Development and Day Care." Include a proviso which would permit, with the approval of the Budget and Control Board, the expenditure of these funds for either direct day care operations or child development and day care services which might be provided through contracts.
- C. Include a proviso requiring DSS to submit to the SSAC on or before October 1, 1981, a center-by-center progress report on child development and day care operations and on progress toward movement to contractual services.

III. Temporary Title XX Proviso

- A. Reword the recommended proviso so as to provide the following: A pro rata reduction of Title XX funds to all participating agencies (State and other) should the total Federal allocation of Title XX dollars to South Carolina be reduced in fiscal year 1981-82.

13814



# EXHIBIT

JAN 27 1981

NO. 10

STATE BUDGET & CONTROL BOARD

*Staff*

## Proposed Amendments to the Title XX Recommendations

### Item I(C)

The same language should be applied to the October 1 proposed plan deadline as is proposed for the January 1 deadline (Item I(F)) since it is at this point that agreement needs to be reached to allow timely notice of proposed allocations to all agencies during the budget process.

### Item I(F)

The July 15 reference should be deleted here. The above recommendations have already stated that DSS shall submit the proposed plan to the Governor by July 15, a date which is agreeable with all parties. This deletion was recommended by the Social Services Advisory Committee (SSAC) because the Committee did not want it tied to the January 1 deadline.

The reference to changing the plan after January 1 should be deleted since changes in the approved plan would have to be addressed through the process called for by Federal law or regulation.

### Item II(C)

Include the words "center by center" when making reference to the progress report so as to insure a thorough reporting procedure.

*Instead of County by County -*

### Item II(D)

Eliminate the word "Federal" when making reference to the total allocation since the source of a shortage of funding could be the result of federal or state shortfalls.

*Then, any source would be result -*

13815

I. Development of Title XX Plan

- A. Leave the development of the Title XX plan with the Board of Social Services, the Governor and the Social Services Advisory Committee.
- B. Modify the law to require that DSS furnish the Governor and the Budget and Control Board with a proposed plan no later than July 15 of each year.
- C. Change the law to require that DSS and the Governor complete their agreement on the proposed plan by October 1 of each year.
- D. Public hearings on the proposed plan should be completed as soon as possible after October 1 and the reports of such hearings should be furnished to the Governor no later than December 15.
- E. Change the law to require that the Department of Social Services and the Governor complete their agreement on the plan by January 1.
- F. Change the law to provide that should DSS fail to furnish the plan by July 15 or should DSS and the Governor fail to reach an agreement on the plan by January 1, then the Governor shall be required to see that the last approved plan continues for the next fiscal year in the same form as currently in existence. After January 1, the plan could be changed as the result of legislative or congressional action.

II. Funding for Child Development for 1981-82

- A. Restore 70% of the 1980-81 State funding (excluding supplemental funds) and 70% of the State funded positions to the direct day care operations.
- B. Move 30% of 1980-81 State funding and 30% of the 1980-81 authorized positions from direct day care to a line item entitled "Child Development and Day Care." Include a proviso which would permit, with the approval of the Budget and Control Board, the expenditure of these funds for either direct day care operations or child development and day care services which might be provided through contracts.
- C. Include a proviso requiring DSS to submit to the SSAC on or before October 1, 1981, a progress report on child development and day care operations and on progress toward movement to contractual services.

III. Temporary Title XX Proviso

- A. Record the recommended proviso so as to provide the following:  
A pro rata reduction of Title XX funds to all participating agencies (State and other) should the total Federal allocation of Title XX dollars to South Carolina be reduced in fiscal year 1981-82.

EXHIBIT

JAN 27 1981

NO. 10

STATE BUDGET &amp; CONTROL BOARD

13816

## Social Services Department

380

	1980-81		1981-82		1981-82		Passed by House	
	Appropriated		B & C Board	Recommendation	Ways and Means Bill		Total Funds	General
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1								
2								
3								
4								
5	Total Assistance Payments	\$ 3,732,023	\$ 3,732,023	\$ 3,732,023	\$ 3,732,023			
6								
7	Total Foster Care Program	\$ 3,732,023	\$ 3,732,023	\$ 3,732,023	\$ 3,732,023			
8								
9	3. Other Social Services:							
10	Personal Services:							
11	Classified Positions	\$ 374,950	\$	\$ 355,281	\$			
12		(43)		(45)				
13								
14	Total Personal Service	\$ 374,950	\$	\$ 355,281	\$			
15	Other Operating Expenses:							
16	Contractual Services	\$ 15,701	\$	\$ 15,701	\$			
17	Supplies	2,238		2,238				
18	Travel	10,991		10,991				
19	Equipment	480		480				
20								
21	Total Other Operating Expenses	\$ 29,410	\$	\$ 29,410	\$			
22								
23	Total Other Social Services	\$ 404,360	\$	\$ 384,691	\$			
24								
25	Total Title XX and Child Welfare Services	\$ 23,131,173	\$ 9,261,490	\$ 20,991,327	\$ 8,287,566			
26								
27	B. Title XX Homemakers:							
28	Personal Service:							
29	Classified Positions	\$ 1,418,593	\$ 422,304	\$ 1,517,488	\$ 404,922			
30		(180)	(177)	(182)	(179)			
31								
32	Total Personal Service	\$ 1,418,593	\$ 422,304	\$ 1,517,488	\$ 404,922			
33	Other Operating Expenses:							
34	Contractual Services	\$ 81	\$ 22	\$ 81	\$ 22			
35	Supplies	8,219	2,240	7,744	2,098			
36	Travel	302,209	82,352	303,630	82,756			
37	Equipment	3,854	1,050	2,908	788			
38								
39	Total Other Operating Expenses	\$ 314,363	\$ 85,664	\$ 314,363	\$ 85,664			
40								
41	Total Title XX Homemakers	\$ 1,732,956	\$ 507,968	\$ 1,831,851	\$ 490,586			
42								
43	C. Day Care Centers:							
44	1. Direct Operations Day Care:							
45	Personal Service:							
46	Classified Positions	\$ 4,178,772	\$ 740,615	\$ 958,090	\$ 108,617			
47		(470)	(418)	(85)	(35)			

EXHIBIT  
JAN 27 1981 NO. 10  
STATE BUDGET & CONTROL BOARD

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X 70% = 293 position  
X 30% = 125 "

\$740,615  
70%  
\$518,431 restore to direct  
operation



	1980-81		1981-82					
	Appropriated Total Funds (1)	General Funds (2)	B & C Board Total Funds (3)	Recommendation General Funds (4)	Ways and Means Bill Total Funds (5)	General Funds (6)	Passed by House Total Funds (7)	General Fund (8)
Unclassified Positions .....	14,729 (1)	3,795 (1)						
Total Personal Service .....	\$ 4,193,501	\$ 744,410	\$ 958,090	\$ 108,617				
Other Operating Expenses:								
Contractual Services .....	\$ 340,337	\$ 55,460	\$ 120,217	\$ 10,957				
Supplies .....	474,251	25,577	102,193	916				
Fixed Charges and Contributions .....	207,643	33,988	94,912	271				
Travel .....	160,107	26,200	103,826	10,786				
Equipment .....	17,503	2,864	2,920	453				
Total Other Operating Expenses .....	\$ 1,199,841	\$ 144,089	\$ 424,068	\$ 23,383				
Public Assistance Payments:								
Case Service and Public Assistance Payments .....	\$ 617,120	\$	\$ 608,103	\$				
Total Public Assistance Payments .....	\$ 617,120	\$	\$ 608,103	\$				
Total Direct Operations Day Care .....	\$ 6,010,462	\$ 888,499	\$ 1,990,261	\$ 132,000				
2. Contracted Day Care:								
Contractual Services .....	\$ 7,600,000	\$ 1,763,000	\$ 5,694,684	\$ 963,000				
Total Contracted Day Care .....	\$ 7,600,000	\$ 1,763,000	\$ 5,694,684	\$ 963,000				
Total Contracted Day Care .....	\$ 7,600,000	\$ 1,763,000	\$ 5,694,684	\$ 963,000				
3. Child Development and Day Care:								
Child Development and Day Care .....	\$	\$	\$ 3,385,520	\$ 846,380				
Total Child Development and Day Care .....	\$	\$	\$ 3,385,520	\$ 846,380				
Total Day Care Centers .....	\$ 13,610,462	\$ 2,651,499	\$ 11,070,465	\$ 1,941,380				
D. Contract Services:								
Personal Service:								
Classified Positions .....	\$ 432,302 (30)	\$ 132,311 (30)	\$ 292,602 (20)	\$ 79,295 (20)				
Total Personal Services .....	\$ 432,302	\$ 132,311	\$ 292,602	\$ 79,295				

30% to contracted  
125 position  
\$222,184

EXHIBIT  
JAN 27 1981 NO. 10  
STATE BUDGET & CONTROL BOARD

13818

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 11

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

6

STATE BUDGET & CONTROL BOARD

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Agency: Fire Commission

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Subject: Procedure on Actions of Fire Marshal's Appeals Board

The Fire Marshal's Office has indicated that decisions rendered by the Fire Marshal's Appeals Board often are urgent in nature and are the sorts of decisions which should be communicated to the interested parties at the earliest opportunity. To help resolve this problem, the staff suggests that the Budget and Control Board authorize the Fire Marshal's Appeals Board to communicate its actions to the affected parties promptly on the understanding that parties affected by the action or ruling of the Appeals Board could request Budget and Control Board review of the action of the Appeals Board. The staff suggestion is that the Budget and Control Board procedure be that the Board would first determine whether or not it would review the Appeals Board action and, having made that determination, proceed accordingly.

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Board Action Requested:

Consider

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Staff Comment:

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Attachments:

13819

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 12

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

7

STATE BUDGET & CONTROL BOARD

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Agency: Executive Director's Office

---

Subject: Commission on Higher Education View on Construction Management Agreements  
and Staff Report on Development of Regulations Pertaining to Such Agreements

CHE Executive Director Boozer advises that the Commission on Higher Education, at its January 8, 1981 meeting, directed its Committee on Facilities to investigate the ramifications of the utilization of the construction management approach by colleges and universities and to report to the Commission by April 2, 1981. He further advised that the Commission asked that the institutions and the Budget and Control Board insofar as post-secondary education institutions are concerned not enter into any construction management agreements until that Committee's report is available.

Board staff and Mr. Sloan will present a brief discussion on the progress to date regarding the development of regulations pertaining to construction management agreements which are to be proposed to the Board for its promulgation. The staff will suggest that the proposed regulations be distributed to interested organizations and institutions for comment in anticipation of Board action on this matter during the month of February.

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Board Action Requested:

Consider

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Staff Comment:

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Attachments:

Boozer January 9 letter to Putnam

13820





EXHIBIT

JAN 27 1981

NO. 12

JAN 13 1981

STATE BUDGET & CONTROL BOARD

**SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION**

RUTLEDGE BUILDING

1429 SENATE STREET

COLUMBIA, S. C. 29201

HOWARD R. BOOZER  
EXECUTIVE DIRECTOR

TELEPHONE  
803/758-2407

January 9, 1980

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
Wade Hampton Building  
Columbia, SC 29211

Dear Bill:

It has come to the attention of the Commission that some postsecondary educational institutions have an interest in utilizing the concept of construction management in new construction projects. On January 8, 1981, the Commission directed its Committee on Facilities to investigate the ramifications of the colleges and universities utilizing construction management, and to report to the Commission by April 2, 1981. The Commission requests that the institutions, and the Budget and Control Board insofar as the institutions are concerned, not enter into any contract management agreements until the Committee's report is available.

Sincerely yours,

Howard R. Boozer

HRB:dm

cc: Dr. James E. Bostic, Jr.  
Mr. C. Otis Taylor, Jr.  
Presidents, Senior Public College and Universities  
Mr. G. William Dudley, Jr.

13821

# EXHIBIT

(Proposed Regulation)  
Chapter 19  
Article 9 [New]

JAN 27 1981 NO. 12

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

(Promulgated under authority of §§ 10-5-10  
to 10-5-140 of the 1976 Code, as amended.)

Rule 19-1200. Construction management services for public buildings.

1. All State agencies and departments electing to employ the services of persons or firms to perform construction management services for construction and renovation of public buildings shall follow the procedures provided by law for the selection of architects and engineers, and these regulations, in the selection of such persons or firms.

2. Definitions.

(a). "Construction management" is a concept or method of construction in which the owner ordinarily does not use a single prime building contractor to perform construction or renovation, but lets multiple prime contracts for various phases of the work, which contracts are scheduled and coordinated by a construction manager representing the owner. The method contemplates that the construction manager may advise the owner on overall project feasibility and design concepts, value engineering, alternate methods of construction, and estimates as to time and costs of construction; and will represent the owner on the project site in coordination with the architects and/or engineers, employed for the project, and contractors under contract with the owner. The method is further designed to reduce costs on complex construction by reduction of architect and engineer fees and individual contractor mark-ups; and to speed construction by advanced and coordinated contractor's work scheduling and material purchasing.

(b). "Construction manager" is a person or firm, licensed as an architect, engineer, or general building contractor, who is experienced in construction management. He may be retained as an independent contractor or he may be the agent of the owner,

13822

employed on a professional fee basis, with responsibility to the owner independent of the responsibilities of the architects, engineers and contractors engaged in the project. The construction manager may be an affiliate or associate of architects, engineers or contractors; but must have independent authority and responsibility in the performance of his services as such construction manager. The construction manager will not be eligible to act as an architect or engineer on the project, or as a contractor who may bid on any phase of construction.

3. Ordinarily, the Board will not approve the employment of a construction manager by a State agency or department unless the proposed construction or renovation project:

(a). Exceeds \$3,000,000 in estimated cost; and

(b). Is of such complex nature that the services of a construction manager may be reasonably expected to result in substantial cost and time savings to the State.

4. Requests to employ a construction manager by agencies or departments will be submitted to the Board through the State Engineer, who shall make recommendation to the Board whether a construction manager should be approved for the project. The State Engineer may advise and assist agencies and departments in the selection process, in the same manner as for the selection of architects and engineers.

5. When the construction management method is to be utilized on a project, the construction manager shall ordinarily be selected prior to selection of architects and engineers, and in any event must be selected prior to completion of the design development phase of the architects-engineers design. If it is contemplated by an agency or department that the construction management method may be utilized on a project, the publication and notice to interested architects and engineers required by § 10-5-30 of the 1976 Code, shall so state; and the fee and expense proposals submitted by interested architects and engineers shall reflect the reductions or changes in their fees and costs which will be made if a construction manager is used for the project.

## EXHIBIT

- 2 -

JAN 27 1981

NO. 1 **13823**

STATE BUDGET & CONTROL BOARD



6. Persons or firms engaged in construction management, although affiliated or associated with architects and engineers selected for a project, shall not be precluded from selection as construction manager by reason of such affiliation or association; nor shall contractors who are affiliated or associated with persons or firms providing construction management services be precluded from bidding upon work to be performed on the project by reason of such affiliation or association; Provided, the separate and individual professional, legal and financial responsibility of each party to the owner shall be maintained at all times.

7. Construction managers, architects, engineers and contractors shall provide such surety bonds, insurance and other protection to the owner as required by law and by the provisions of the particular contract documents between the parties; but the construction manager shall as a minimum obtain and maintain for the protection of the owner at all times during the course of the project, and for at least three (3) years after completion of the project, insurance against his own negligence and errors and omissions in performance of his services as such construction manager in an amount not less than ten (10%) percent of the estimated project cost.

8. Contracts with construction managers shall be in form and upon conditions as prescribed by the Board, and shall be separate and independent contracts. Contracts for such services shall not be made as addenda or amendments to contracts with architects, engineers or other contractors on the project.

## EXHIBIT

JAN 27 1981 NO. 12

STATE BUDGET & CONTROL BOARD

13824



Geiger McElveen Kennedy • Architects Engineers Planners • 2821 Millwood Avenue, Columbia, S.C. 29205 • 803/254 2634

January 12, 1981

Dr. Howard R. Boozer  
Executive Director  
SC Commission on Higher Education  
1429 Senate Street  
Columbia, South Carolina 29201

Dear Dr. Boozer,

I am in receipt of a copy of your letter to Bill Putnam regarding Construction Management.

It was my understanding that the C.H.E. motion was to "exclude" existing and present CM contracts that were in the negotiation phase.

In reading your letter, it does not mention any exclusions. Since our firm presently has thousands of man hours tied up in CM contracts that are in the process of receiving final approval, and in an effort to clarify this situation, I would appreciate your reviewing the tapes of last Thursday's meeting and let me know just what actually happened.

Appreciate your help in this matter.

Very truly yours,

Wm. N. Geiger, Jr.

WNG/cec

cc: William T. Putnam

13825

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

JAN 27 1981

NO. 13

ITEM NUMBER

8

## STATE BUDGET & CONTROL BOARD

Agency: Health and Environmental Control

Subject: Funds Transfer Request

The Department of Health and Environmental Control asks Board authorization to transfer \$439,043 from personal service accounts to operating fund accounts to provide sufficient operating funds to continue the inpatient TB services and inmate hospital care at the State Park Health Center.

Please refer to memorandum from Mr. Dorn to Mr. Vaughn dated December 1 for details on the staff recommendation which is basically that the request be approved provided DHEC eliminates not less than 41 headcount and certifies that this reduction is from positions existing prior to July 1980 and that none of the funds involved in the transfer is from "new position" lapses and that this transfer be used strictly in conjunction with State Park Center operations.

This item was carried over from the December 9, 1980 meeting.

Board Action Requested:

Approve request under conditions recommended.

Staff Comment:

Attachments:

Dorn December 1 memo to Vaughn plus attachments

13826



# EXHIBIT


MEMORANDUM FOR RECORD

JAN 27 1981

NO. 13

TO: Edgar A. Vaughn, Jr.

STATE BUDGET & CONTROL BOARD

FROM: George N. Dorn, Jr. 

DATE: DECEMBER 1, 1980

I have reviewed the attached request from D.H.E.C. to move personal service funds to operating at State Park Health Center. The following applies:

1. State Park operations potentially will fall short of revenue the second half of 80-81.
2. This problem has already been addressed for 1981-82.
3. The attached proposal appears to be in keeping with Governor Riley's memorandum of November 23, 1979, from both standpoints:
  - a. Headcount will have to be eliminated in 81-82 to comply with the 7% reduction. Elimination at this time will insure an absolute reduction in Headcount.
  - b. Services can only be maintained for both prisoner care and T.B. in-patient care if operating revenue is increased.
4. Execution of this transfer will allow the Department to cover its operating deficit without having to request any supplemental funds for State Park Center.

Based on what is submitted herein, I recommend approval of this request with the following stipulations.

1. That D.H.E.C. eliminate not less than 41 Headcount, not to be restored. (Note: D.H.E.C. has held State Park "harmless" in the 7% reduction for 81-82, so this must be absorbed agency wide).
2. That D.H.E.C., upon approval, certify to State Personnel Division and the State Budget Office that this reduction is from positions existing prior to July, 1980, and that none of the funds transferred is from "new position lapse". (ref: Section 186).
3. That this transfer is used strictly in conjunction with State Park Center operations and for no other purpose. Any funds, transferred, but not utilized, are to lapse to the General Fund.

Copy for review & comment:

Preston T. Cantrell

Dr. Jesse A. Coles, Jr.

13827

South Carolina  
Department of  
Health and  
Environmental  
Control

November 25, 1980

BOARD  
William M. Wilson, Chairman  
J. Lorin Mason, Jr., M.D., Vice-Chairman  
I. DeQuincey Newman, Secretary  
Leonard W. Douglas, M.D.  
George G. Graham, D.D.S.  
Michael W. Mims  
Barbara P. Nuessle

COMMISSIONER  
Robert S. Jackson, M.D.  
2600 Bull Street  
Columbia, S. C. 29201

Mr. Edgar A. Vaughn  
State Auditor  
P. O. Box 11333  
Columbia, S.C.

RECEIVED  
NOV 26 1980  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION

Dear Mr. Vaughn:

We are forwarding an appropriation transfer in the amount of \$439,043 for your review and approval. This transfer is necessary in order to provide sufficient operating funds to continue the State Park Health Center (In-patient TB Services and State Prisoner's Hospital Care). Again this fiscal year, we find ourselves faced with insufficient funding at the State Park Health Center to properly operate the facility. This matter has been addressed in Dr. Jackson's memorandum to Mr. Putnam, dated September 15, 1980. As you know, the lack of funding is not a new problem but a continuation from the onset of the inauguration of this program with the Department of Corrections.

The approval of this transfer will provide the following:

- 1) Keep the mission of DHEC to provide public health services in the area of the Tuberculosis program
- 2) Continue providing hospitalization for the Department of Corrections' prisoners which has been a cost savings to the Department of Corrections and the State of South Carolina
- 3) Allow DHEC to cover anticipated deficit in operating funds by diverting salary funds to operating categories. This does not require any additional appropriations and will negate the necessity for submitting a request for supplemental or deficiency appropriations for this purpose unless some unforeseen emergency arises.
- 4) This request meets the criteria as explained in Governor Riley's memorandum dated November 23, 1980.
- 5) In accordance with the implementation of the Budget and Control Board's mandated personal service reduction of 7%, this will allow one-time utilization of these funds to continue the operation of the State Park Health Center through the current fiscal year. We have been

13827-A

Mr. Edgar A. Vaughn  
November 25, 1980  
Page 2

# EXHIBIT

JAN 27 1981 NO. 13

## STATE BUDGET & CONTROL BOARD

successful in receiving a \$600,000 increase for operational needs in our budget request for FY 82 recommended by the Budget and Control Board.

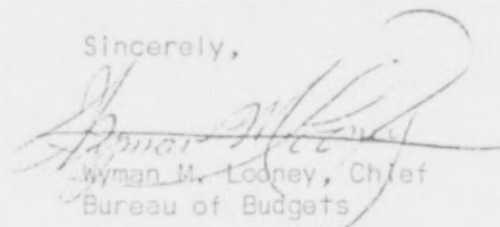
6) We estimate that 41 positions (headcount) including positions funded 100% state funds and partially, are representative of the positions involved with the amount of this transfer for the agency. This money and positions have already been reflected in the mandated personal service reduction of 7% for FY 82.

The following is included for your convenience in reviewing this request:

- 1) letter to Dr. Jackson from Mr. Putnam dated 8-27-80
- 2) Dr. Jackson's response to Mr. Putnam dated 9-15-80
- 3) memo from Governor Riley dated 11-23-79
- 4) letter from Mr. Putnam to Dr. Jackson dated 6-26-80
- 5) letter from Mr. Putnam to William Leeke dated 6-26-80
- 6) Dr. Jackson's response to Mr. Putnam dated 7-9-80

Thank you for your assistance in this matter and should you have any questions, please let us know.

Sincerely,



Wyman M. Looney, Chief  
Bureau of Budgets

WML:ddc  
encls.

cc: Dr. Jackson  
Cecil Seigler  
Ben Lee  
John Asbill

13828



## State of South Carolina

## STATE BUDGET AND CONTROL BOARD

Finance Division

Columbia

Date: November 26, 1980

B.B. #22

To the Comptroller General and the State Treasurer:

By unanimous approval of the State Budget and Control Board, the following appropriation transfers are authorized.

Department Health and Environmental ControlFiscal Year 80/81

Section	Item	Activity and Account	Organization No.	Account No.	Transaction Code	AMOUNT	
						DEBIT	CREDIT
37	11.	Health Protection					
		D. State Park Health Center					
		1. In Patient TB Services	J0405	150100			
		Classified Positions		11814749	21601	163,251.00	
		Contractual Services		11815175	11601		45,000.00
		Supplies		11815176	11601		70,000.00
		Fixed Charges & Contributions		11815177	11601		38,135.00
		Case Services & Public Assistance Payments		11815265	11601		10,116.00
		2. State Prisoner's Hospital Care	J0405	150500			
		Contractual Services (New)			11601		95,000.00
		Supplies (New)			11601		109,975.00
		Fixed Charges & Contributions (New)			11601		33,817.00
		Case Services & Public Assistance Pay (New)			11601		37,000.00
		1. In Patient TB Services	J0405	150100			

## TO DEPARTMENT AND INSTITUTIONS:

This form should be accompanied with a letter indicating fully the necessity of the transfer being requested. No commitment should be made in anticipation of the approval of a transfer.

Date Approved \_\_\_\_\_

State Auditor

Rec  
App  
10/26/80

SUBMIT ORIGINAL AND THREE (3) COPIES.

13829

South Carolina  
Department of  
Health and  
Environmental  
Control

September 15, 1980

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
P. O. Box 12444  
Columbia, South Carolina 29211

BOARD  
William M. Wilson, Chairman  
J. Lorin Mason, Jr., M.D., Vice-Chairman  
I. DeQuincey Newman, Secretary  
Leonard W. Douglas, M.D.  
George G. Graham, D.D.S.  
Michael W. Mims  
Barbara P. Nuessle

COMMISSIONER  
Robert S. Jackson, M.D.  
2600 Bull Street  
Columbia, S. C. 29201

EXHIBIT

JAN 27 1981 NO. 13

STATE BUDGET & CONTROL BOARD

Dear Bill:

This letter is in response to your letter of August 27, 1980 concerning the fiscal year 1980-81 funding situation in DHEC. My staff and I have carefully reviewed the total monies available for 1980-81 vis-a-vis the minimum monies needed to sustain essential services and activities, and in consideration of the 1981-82 program allocations and 7% reduction in personal service monies.

In spite of all reasonable economy measures and organizational changes to reduce or eliminate non-essential operations, there are two areas where monies as appropriated are inadequate to sustain operations - State Prisoner's Hospital Care at the State Park Health Center and Loss of Comprehensive Public Health Service 314(d) funds used for the essential services of Tuberculosis Control, Environmental Sanitation and Drug Control. In the case of the 314(d) Federal funds, the latest word is that funding will be at about one-half the fiscal year 1979-80 level versus no funding as originally reported. If these funds are provided, it will lessen the adverse impact. The programs supported by the 314(d) funds are regarded as basic health and environmental services and activities critical to the missions of the Department. Also, the 314(d) funding situation is interwoven with the funding situation for the State Prisoner's Hospital Care. Since appropriations covered less than a third of the cost for the prisoner care from the beginning of this activity, appropriations for Tuberculosis Care and earned funds at the hospital for serving Tuberculosis patients have been diverted to pick up the shortfall cost to the extent possible for the inmate patients. The 314(d) funds made this arrangement possible but the reduction of these funds means that the TB appropriations and earned funds must now be used for Tuberculosis services and activities. Therefore, the total deficit operation crisis revolves around the inmate patient care.

As mentioned, my staff and I also reviewed the current fiscal year funding situation in terms of 1981-82 allocations and the 7% reduction in personal service monies in an effort to determine viable alternatives in avoiding deficit operations. The Budget and Control Board recognized the critical funding problems for the Prisoner Hospital Care and loss of 314(d) funds by increasing the 1981-82 allocations for these areas. This decision implies that these services and activities should be maintained. Also, with the 1981-82 7% reduction in personal service monies, the Budget and Control Board provided the means for this Department, if permitted,

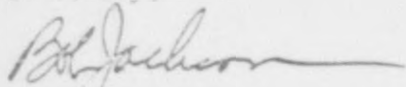
13830

Mr. William T. Putnam  
September 15, 1980  
Page 2

to avoid a deficit operation in these areas. I have already started efforts toward reduction in personal service monies for 1981-82. It is estimated that these reductions will generate sufficient salary lapsing funds this year to offset the projected deficit operation situation in the prisoner care and 314(d) areas. Accordingly, I would appreciate your support in obtaining approval for the Department to use the salary lapsing funds for these purposes. The only other alternatives would be to authorize deficit operations in these areas with subsequent approval of a supplemental appropriation or curtail the prisoner hospital care services approximately December 1, 1980.

It is trusted this information will enable you to obtain an early decision on this serious matter. If additional information is needed or if you would like for me to meet with the Budget and Control Board, please let me know.

Sincerely,



Robert S. Jackson, M.D.  
Commissioner

RSJ/sm

CC: Mr. William M. Wilson

13831



# EXHIBIT

State of South Carolina

JAN 27 1981

NO. 13

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLEE 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

August 27, 1980

Dr. Robert S. Jackson  
Commissioner  
S. C. Dept. of Health & Environmental Control  
2600 Bull Street  
Columbia, South Carolina 29201

Dear Dr. Jackson:

At its meeting of August 18, 1980, the Budget and Control Board received an updated report from the Board of Economic Advisors with respect to the anticipated State revenues for fiscal year 1980-81. The data contained in this report, when coupled with the very small surplus remaining after the close of fiscal year 1979-80, indicates that there will likely be little, if any, funding available for supplemental appropriations during the current fiscal year. In the face of this dilemma, there seems to be a disturbing trend among some agency heads to conduct their business in such a manner as to anticipate a deficit. For this reason, the Board has directed that this letter be sent to all agency heads.

Everyone recognizes that we are experiencing difficult times with respect to the funding of various agencies of State Government. However, virtually every department head feels that available monies are inadequate to properly carry out the program mandates as he or she sees them. To permit deficit operations based upon individual evaluation would invite financial chaos. Therefore, the General Assembly has seen fit to place strong statutory restraints upon such actions.

Your attention is called to Part I, Section 165, Act 517, 1980 (the General Appropriations Act) which reads as follows:

"All departments, institutions, and agencies of the State are hereby directed to budget and allocate the appropriations herein made to them as quarterly allocations so as to provide for opera-

*Cecil*  
*Ref*  
RECEIVED  
JAN 27 1981  
COMMUNICATION

13832

August 27, 1980

Page 2

tion on uniform standards throughout the fiscal year and in order to avoid a deficiency in such appropriations. The Budget and Control Board is authorized to require any agency, institution or department to file a quarterly allocations plan and is further authorized to restrict the rate of expenditures of the agency, institution or department if the Board determines that a deficit may occur. Provided, That the bonds of State officials violating the terms of this section shall be held liable therefor, unless the Budget and Control Board has been advised of, and officially recognizes the necessity for such deficit." (Emphasis Added)

As of this date, the Budget and Control Board has not officially recognized a need for deficit operations in any agency. Therefore, it is assumed that all agency heads are managing their budgets in such a manner as to function within available funding; however, you are requested to review your operations to ensure that such is the case. If you are unable to plan for the management of your department within allotted resources, the Budget and Control Board should be notified immediately in order that a decision might be made by the Board as to what steps should be taken to ensure conformance with the provisions of Section 165 of Act 517, 1980.

Your serious and immediate attention to this matter will be greatly appreciated.

Yours very truly,

*Bill*

William T. Putnam  
Executive Director

WTP:elm

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AUG 29 1980

OFFICE OF  
COMMISSIONER

13833



D.M.D. 2

## EXHIBIT

JAN 27 1981

NO. 13

State of South Carolina

STATE BUDGET &amp; CONTROL BOARD

Office of the Governor

RICHARD W. RILEY  
GOVERNORPost Office Box 11450  
COLUMBIA 29211

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NOV 27 1979

MEMORANDUM

ADMINISTRATION

TO: Directors of State Agencies and Institutions

FROM: Richard W. Riley, Chairman  
South Carolina Budget and Control Board

DATE: November 23, 1979

As you know, the Budget and Control Board and the General Assembly have expressed increasing concern about the growing number of State employees. At the same time you have little incentive to help control this growth by eliminating specific positions because of the strong likelihood that any personal service funds saved would be returned to the General Fund.

To encourage you to reduce expenditures for personnel, the Budget and Control Board has indicated that it would be receptive to requests for authorizations to transfer personal service funds to other operating areas if the transfer would both improve services and result in an absolute reduction in the number of authorized positions.

RWR/sec

cc: Finance  
Personnel  
Budgets  
Bus. Mgt.  
DSM  
Frank Beatwright

RECEIVED

NOV 27 1979

M. A. S.

OFFICE OF  
COMMISSIONER

13834



State of South Carolina  
**State Budget and Control Board**

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



Box 1244  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

June 26, 1980

Robert S. Jackson, M.D., Commissioner  
Department of Health and Environmental Control  
2600 Bull Street  
Columbia, South Carolina

Dear Dr. Jackson:

Bill Leeke of the Department of Corrections recently furnished this office with a complete file pertaining to the lack of funding for the medical program which is conducted by the Department of Health and Environmental Control for the Department of Corrections. As one who strongly endorsed the inauguration of this program I share your concerns and will be glad to assist you and Bill by lending my voice to your cause.

However, as you will see from my letter to Bill Leeke, a copy of which is attached, I am greatly concerned over the fact that neither agency seems to have strongly addressed these needs in their formal budget presentations during the last two years. Also, as indicated in that letter, I sincerely hope that both of you can see fit to make additional funding for this very worthy project a number one priority in your budget requests for 1981-82.

I will be glad to discuss this matter with both you and Bill if you feel that such discussion might be advantageous.

Yours very truly,

*Bill*

William T. Putnam  
Executive Director

WTP:sc

Attachment

ADMINISTRATIVE

RECEIVED

JUL 1 1980

OFFICE OF  
COMMISSIONER

13835

State of South Carolina

## State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARL E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12111  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

June 26, 1980

# EXHIBIT

JAN 27 1981 NO. 13

STATE BUDGET & CONTROL BOARD

Mr. William D. Leeke, Commissioner  
S. C. Department of Corrections  
P. O. Box 21787  
Columbia, South Carolina 29210

Dear Bill:

I have read with interest and a great deal of concern the file which you have furnished to the Governor's Office pertaining to the consortium arrangement between the Department of Corrections and the Department of Health and Environmental Control for the medical treatment of your inmates. I personally feel that this is one of the best programs that the State of South Carolina has inaugurated in recent years and further believe that each of us should do everything in his power to see that it is continued in a satisfactory manner.

Apparently a large part of the problem comes from the fact that neither agency seems to be giving this particular program a major emphasis. In reviewing the 1979-80 budget requests of both DHEC and the Department of Corrections, I can find no specific reference which can be identified as a plea for heavier support of this effort. In the budget request for 1980-81, the Department of Corrections again made no specific request for additional funds for this program and DHEC asked for only \$117,424 as a sixteenth priority. With this background, I would certainly hope that the two agencies would get together and for fiscal year 1981-82 jointly request, as a first priority, funds for this very worthy program. If the principals do not show a keen interest in this area of funding, we can hardly expect the Budget and Control Board and the General Assembly to take up the slack.

If you and Dr. Jackson will jointly make an appeal for this program, I will be glad to join you and feel reasonably sure that Ed Vaughn would take the same position.

I would appreciate hearing from you concerning this matter so that we might further discuss the needs in this particular area.

Yours very truly,



William T. Putnam  
Executive Director

xc: Dr. Robert Jackson

13836

# South Carolina Department of Health and Environmental Control

BOARD  
William M. Wilson, Chairman  
J. Lorin Mason, Jr., M.D., Vice-Chairman  
I. DeQuincey Newman, Secretary  
Leonard W. Douglas, M.D.  
George G. Graham, D.D.S.  
Michael W. Mims  
Barbara P. Nuessle

COMMISSIONER  
Robert S. Jackson, M.D.  
2600 Bull Street  
Columbia, S. C. 29201

July 9, 1980

RECEIVED

OCT 29 1980

BUREAU OF BUDGETS

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
P.O. Box 12444  
Columbia, SC 29211

Dear Mr. Putnam:

I appreciate the expressed concern and support in your letter of June 26, 1980, for adequate State funding of the medical program conducted by DHEC for the SC Department of Corrections (SCDC).

The reason for the apparent low priority for additional funds for this program in our Budget Request for 1980-81 is that in-patient care of prisoners is not viewed as a public health program. It is seen as a service we provide for the SCDC on a contractual basis. The fact that the legislature chose to appropriate money for this service directly to DHEC rather than to SCDC does not change the fact that we do have an agreement, amounting to a contract, with SCDC to provide this service for them. Health care for prisoners is the responsibility of SCDC and not a public health program. My understanding of the legislative intent in funding DHEC directly for in-patient care of prisoners was to avoid a duplication in bookkeeping and auditing activities.

In preparing the Budget Request for DHEC, priority was given to programs providing for the basic health and environmental protection of our citizens and mandated services in these areas. The Department must give top priority to addressing inadequate funding of basic public health programs.

The historic approach in the appropriation process has been to allocate each agency a portion of projected available funds ("a piece of the pie"). DHEC does not feel monies for prisoner health care should be a portion of DHEC's "piece of the pie." SCDC has the responsibility for this service and funded the care in private hospitals until 1977. However, we concur with SCDC that this is a critical State responsibility and that we can provide this care far more efficiently than can the private sector and will be happy to continue it as long as it is funded and does not limit our ability to carry on our public health responsibilities.

The 1981-82 Budget Request for DHEC will have a request for \$1,095,110 in additional funding for prisoner health care. This request will be included in our number one priority category of non-optional increased costs, i.e., those costs beyond the Department's control. Included in these costs are: Merit System costs, General Services assigned rents, mandated per diem increases for boards and commissions as well as increases necessary to provide hospitalization for prison inmates.

13837



Letter to Mr. Putnam  
Page 2  
July 9, 1980

From the beginning of the treatment of prisoners at State Park Health Center, the Department has not received adequate funding. The appropriations cover less than a third of the cost for this service. DHEC has done everything possible to provide the service. Funds for DHEC programs have been diverted to State Park to cover the short fall. This has left the Department unable to meet basic public health needs. Further, when DHEC began this service we entered the agreement with the assurance of the Governor's Office, Ways and Means Committee and staff of the Budget and Control Board that additional funding would be provided once we had data on related costs.

In spite of our efforts to divert enough funds from every legal source in order to pick up the short fall for prisoner's hospital care, a supplemental appropriation request of \$205,529 was necessary for FY 1979-80. An appropriation of \$135,000 was received.

One source of diverted State funds was from the Tuberculosis out-patient program. Federal Comprehensive Public Health Service 314(d) funds in the amount of \$395,000 were utilized to support the out-patient program. These Federal funds have been eliminated from the Federal budget for FY 1980-81. The Department has been receiving 314(d) funds since 1935. The lack of these funds is going to increase our short fall at State Park Health Center.

I do plan to make an appeal for the needed funding for this program when I appear before the Budget and Control Board on our Budget Request for 1981-82. However, a fiscal dilemma definitely exists regarding these services. I strongly feel that we can no longer divert funds from such programs as in-patient and out-patient tuberculosis services to the inmate hospital care when the funds are critically needed for the TB control. The loss of the Federal funds compound the problem. It would seem that the only viable long term solution for the continued provision of the inmate hospital care is full State support for this service either to this Department or the SCDC. In the latter case, SCDC could pay this Department or other hospital providers on a case-by-case basis for needed services.

I welcome Bill Leeke making a joint appeal for this necessary funding. In this respect, it might be advantageous for you to set up a meeting for you and me, Bill Leeke and Ed Vaughn to develop our joint position on this critical matter prior to any formal presentations. This Department is willing to cooperate in any way possible.

I look forward to hearing from you concerning a meeting, or if you need any additional information on this matter.

Sincerely,

*Robert S. Jackson*

Robert S. Jackson, M.D.  
Commissioner

RSJ/dt

cc: Mr. William D. Leeke  
Mr. Edgar Vaughn

*copies to Wyman Looney  
Ed. Vaughn  
Mr. Foulke  
Harry Shaw  
George Brown*

EXHIBIT

JAN 27 1981

NO. 13

STATE BUDGET & CONTROL BOARD

13838

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 14

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

9

STATE BUDGET & CONTROL BOARD

---

Agency: Finance Division (Budget Development)

---

Subject: Recommendations of Joint Legislative Committee on Personal Service  
Financing and Budgeting

Please refer to attachments for details.

---

Board Action Requested:

Consider recommendations of Joint Legislative Committee, as summarized  
in attachments.

---

Staff Comment:

---

Attachments:

Coles January 22 memo to Putnam plus attachments

**13839**



# EXHIBIT

JAN 27 1981 NO. 14

STATE BUDGET & CONTROL BOARD

## STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA  
29211

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR  
(803) 758-3106

JESSE A. COLES, JR., PhD  
DEPUTY STATE AUDITOR  
(803) 758-3106

January 21, 1981

Mr. William T. Putnam  
Executive Director  
Budget and Control Board  
Wade Hampton Office Building  
Columbia, S. C. 29211

Dear Mr. Putnam:

Transmitted herewith are those Agencies requesting authorization to change their authorized headcount. All of the attached items were reviewed and a recommendation made by the Joint Legislative Committee on Personal Service Financing and Budgeting at its January 21, 1981, meeting.

We have also attached a copy of Senator Waddell's letter and a summary report which was prepared by the Office of Budget Development.

We are hereby requesting that this report be presented at the next Board meeting for its consideration.

Sincerely,

Jesse A. Coles, Jr.  
Deputy State Auditor

/pas

13840



JAMES M. WADDELL, JR.  
SENATOR, BEAUFORT, ALLENDALE,  
COLLETON, HAMPTON AND JASPER  
COUNTIES  
SENATORIAL DISTRICT NO. 15  
SENATE OFFICE NO. 2

HOME ADDRESS:  
BOX 1026  
BEAUFORT, S. C. 29902



January 21, 1981

COMMITTEES:  
EDUCATION  
FINANCE  
FISH, GAME AND FORESTRY, Chairman  
INTERSTATE COOPERATION  
TRANSPORTATION

## EXHIBIT

JAN 27 1981 NO. 14

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.  
Deputy State Auditor  
State Auditor's Office  
207 Wade Hampton Office Building  
Columbia, South Carolina 29211

Dear Dr. Coles:

The Joint Legislative Committee on Personal Service Financing and Budgeting is returning the attached requests to exceed the authorized number of positions with the Committee's comments. Items 37, 38, 39, and 42 were carried over until the next meeting.

Should you have any questions, please do not hesitate to contact me or my staff.

Sincerely,

*James M. Waddell, Jr.*

James M. Waddell, Jr., Chairman  
Joint Legislative Committee on Personal  
Service Financing and Budgeting

JMWJr:bs

Enclosures

13841

State Auditor's Office  
Summary Schedule Of Action Taken By  
The Joint Legislative Committee On  
Personal Service Financing and Budgeting  
January 21, 1981

Item #	Agency	Agencies Original Request				Joint Legis. Committee Recommendations				Comments
		Total Fund	State Fund	Federal Fund	Other Fund	Total Fund	State Fund	Federal Fund	Other Fund	
24	S. C. State Library	+1	+1			+1	+1			Reconsidered and approved
30	Dept. of Archives and History	+1	+1			-	-			Disapproved
31	S. C. State Library	+1	+1			-	-			Disapproved
32	Vocational Rehabilitation	+44		+44		+44		+44		Approved
33	Medical University of S. C.	-0-	+9	-9			-	-		Disapproved
34	Patriot's Point Dev. Auth.	-0-	+12		-12					Disapproved
35	Sea Grants Consortium		-	-	-	-	-	-	-	Ratified Action of 12/16/80
36	Budget & Control Board - Finance Division	-3	-3	-	-	-3	-3			Approved Trans
36	Comptroller General Office	+3	+3	-	-	+3	+3			
37	Adjutant General Office									Carried over - pend. JARC Act.
38	Adjutant General Office									" " "
39	Adjutant General Office									" " "
40	Budget & Control Board - Executive Director	-1	-1			-1	-1			
40	Comptroller General Office	+1	+1			+1	+1			Approved Trans.
41	Governor's Office - Office of Executive Policy & Programs	+1		+1		-		-		Disapproved
42	Dept. of Mental Health	-	-	-	-	-	-	-	-	Carried - pend. W&M recommend.
43	Probation, Parole & Pardon Bd.	+42	+42			+42	+42			Approved
44	Cont. Comm. on Retire. Systems	+1	+1			+1	+1			Approved - No Additional funds needed
Total This Action		91	67	36	(-12)	88	44	44		

STATE BUDGET & CONTROL BOARD

JAN 27 1981 NO. 14

EXHIBIT

13842

IN AUTHORIZED POSITION  
COUNT

Date September 15, 1980

Item Number 24

**EXHIBIT**

Agency: H87 S. C. State Library

JAN 27 1981 NO. 14

Subject: Position above number authorized

STATE BUDGET & CONTROL BOARD

The Agency requests to divide (1) Library Tech. Assistant I position which is 100% Federally funded into (2) part-time positions Federally funded. The request is made in order to meet Affirmative Action requirements. Also, the Agency does not have any vacant positions to fill the position.

Board Action Requested:

Board is requested to approved the increase in total headcount only by (1) position.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: Recommend approval, provided that the State Library agrees, in writing, that the two part-time positions will not become full-time. Additionally, in the event federal funds are no longer available for the two positions, the two authorized positions are to be converted back to one (1) authorized position.

Attachments:

- (1) Letter from Agency explaining request.
- (2) Budget Development Form.

**13843**





# The South Carolina State Library

1500 Senate Street

P. O. Box 142

Columbia, South Carolina 29211

PHONE 758-3181

October 20, 1980

*Jesse*  
**RECEIVED**

OCT 22 1980

STATE AUDITOR'S OFFICE  
DIVISION OF ADMINISTRATION

The Honorable James M. Waddell, Jr., Chairman  
Joint Legislative Committee on Personal Service  
Financing and Budgeting  
Gressette Building  
P. O. Box 142  
Columbia, South Carolina 29202

**RECEIVED**

STATE AUDITOR'S OFFICE  
BUDGET DIVISION

Dear Senator Waddell:

The State Library would like to request the Joint Legislative Committee to reconsider action taken on a recent request to divide an LTA I position (Grade 11, Class Code 3451). I believe some confusion exists with this request. The form attached to your reply (see enclosure) makes reference to Affirmative Action. This is not involved with this position. I had spoken earlier with various officials about another position (an LTA III) affected by Affirmative Action, and a request concerning that position is in channels. Presumably it will reach you sometime later this year.

Our need concerning the LTA I position is sufficiently great that I venture to request reconsideration. The LTA I is a page position, involving locating and reshelving books and magazines, packing and unpacking shipments of materials, running errands, and doing other routine tasks which support the work of the reference and interlibrary loan staff. By having this position, librarians are freed from routines to do the professional work for which they are employed. Because the LTA I position is a minimum wage slot, it is difficult to obtain a full-time employee capable of identifying materials, using the classification system, and doing other tasks requiring a high level of literacy. If an individual is employed who is fully dependent upon wages, he or she usually leaves as soon as better employment can be found. Therefore, over the years, it has become our custom to use University students in this position.

As the volume of our service increased, it became necessary to budget for additional time. This position, which is funded 100% by Federal funds, is presently budgeted for full-time employment. It has not been possible for us to find a student who is able to work the number of hours budgeted. Yet, it is to our advantage to continue using students in this slot because of the caliber of individuals and because it is a means of recruiting students to the profession.

Let me stress that our need is for the full-time equivalent of one position. By requesting the division of this position into two part-time posts, it is not our intention to later request that they be made full-time.

13844

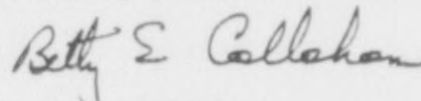
The Honorable James M. Waddell, Jr., Chairman  
Joint Legislative Committee on Personal  
Service Financing and Budgeting

-2-

October 20, 1980

I will greatly appreciate your consideration of this request. If you or the committee should have questions about our need or the justification for the action requested, I will be pleased to appear to explain fully.

Sincerely yours,



Betty E. Callahan  
Librarian

BEC:vlm

CC. Mr. Allan Kincaid  
Dr. Jesse Coles

13845

JAMES M. WADDELL, JR.  
SENATOR, BEAUFORT, ALLENDALE,  
COLLETON, HAMPTON AND JASPER  
COUNTIES  
SENATORIAL DISTRICT NO. 15  
SENATE OFFICE NO. 2

HOME ADDRESS:  
BOX 1026  
BEAUFORT, S. C. 29902



COMMITTEES:  
EDUCATION  
FINANCE  
FISH, GAME AND FORESTRY, Chairman  
INTERSTATE COOPERATION  
TRANSPORTATION

January 21, 1981

Ms. Betty E. Callaham  
The South Carolina State Library  
P. O. Box 11469  
Columbia, South Carolina 29211

Dear Ms. Callaham:

Re: Reconsideration of Item 24

Per your letter of October 20, 1980, the Joint Legislative Committee on Personal Service Financing and Budgeting has reconsidered its previous decision to recommend disapproval of your request to split a full-time position (LTA I) into two part-time positions.

The Committee is now recommending that your request, Item 24, be approved, provided that the State Library agrees, in writing, that the two part-time positions will not become full-time. Additionally, in the event federal funds are no longer available for the two positions, the two authorized positions are to be converted back to one (1) authorized position.

Should you have any questions, please do not hesitate to contact me or my staff.

Sincerely,

A handwritten signature in cursive script that reads "James M. Waddell, Jr.".

James M. Waddell, Jr., Chairman  
Joint Legislative Committee on Personal  
Service Financing and Budgeting

JMWJr:bs

Enclosure

13846



REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date September 15, 1980

Item Number 24

**EXHIBIT**

Agency: H87 S. C. State Library

JAN 27 1981 NO. 14

Subject: Position above number authorized

STATE BUDGET & CONTROL BOARD

The Agency requests to divide (1) Library Tech. Assistant I position which is 100% Federally funded into (2) part-time positions Federally funded. The request is made in order to meet Affirmative Action requirements. Also, the Agency does not have any vacant positions to fill the position.

Board Action Requested:

Board is requested to approved the increase in total headcount only by (1) position.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

- (1) Letter from Agency explaining request.
- (2) Budget Development Form.

**13847**

POSITION SUMMARY

AGENCY H87 S. C. State Library

DATE COMPILED 9/16/80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	44	5	-0-	49
NOT ESTABLISHED	(1)	-0-	-0-	(1)
ESTABLISHED	45	5	-0-	50
FILLED	44	5	-0-	49
VACANT	1	-0-	-0-	1

COMMENTS:

*Item # 24*

13848

BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. H87

Agency S. C. State Library

Subject: Request for State Funded positions exceeding number authorized in 1980-81  
Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
1			Library Tech. Asst I.	3362		100%				

Note: See Attached letter to increase total authorized headcount.

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

Alvin Knicard  
State Budget Analyst

9-15-80  
Date

Robert L. Butler  
Budget Development Director

9-15-80  
Date

GRANTS & REVIEW SECTION:

☒ Recommend Approval

☐ Recommend Disapproval

R. Archa Fleis  
Grants & Review Analyst

9/15/80  
Date

\_\_\_\_\_  
Grants & Review Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
State Auditor

\_\_\_\_\_  
Date

BUDGET AND CONTROL BOARD ACTION:

13849





# The South Carolina State Library

1500 Senate Street

P. O. Box 11469

Columbia, South Carolina 29211

PHONE 758-3181

September 12, 1980

RECEIVED

SEP 12 1980

STATE AUDITOR'S OFFICE  
BUDGET DIVISION

Mr. Allan Kincaid  
Budget Analyst  
State Auditor's Office  
205 Wade Hampton Office Building  
Columbia, South Carolina 29211

Dear Mr. Kincaid:

Due to increases in the volume of interlibrary loan requests received from the public libraries, additional help is needed in the routine processing of book and periodical requests. As library circulation increases, the amount of reshelving and filing of materials increases proportionately. The library also is beginning to in-put its entire collection of holdings into a computerized system. Additional personnel will be used to perform routine in-put processes. Therefore, we are asking that the number of hour for the Library Technical Assistant I (3451-0002) position be proportionally divided in order that we can employ two part-time students.

Position questionnaires along with PAIS forms to facilitate processing of this transaction will be forwarded to you from State Personnel.

Sincerely yours,

Betty E. Callaham  
Librarian

Betty Q. Onley  
Business Manager

BQO:vlm

13850

REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date 10/6/80

Item Number 30

EXHIBIT

Agency: Department of Archives and History

JAN 27 1981 NO. 14

Subject: Reestablish position deleted - nine month vacancy

STATE BUDGET & CONTROL BOARD

The South Carolina Department of Archives and History, by attached letter, request authorization to reestablish an Assistant Director for Local Records position. This position was deleted in accordance with Section 186 (3) (a), Part I Act 517 of 1980.

Board Action Requested:

Staff recommended disapproval.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

1. Budget Development Form
2. Letter from Agency Director
3. Position Summary Report

13851

POSITION SUMMARY

AGENCY H79 Department of Archives and History

DATE COMPILED 10/6/80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	126	2	2	130
NOT ESTABLISHED	0	0	0	0
ESTABLISHED	126	2	2	130
FILLED	120	2	1	123
VACANT	6	0	1	7

COMMENTS:

1. See Item #30.
2. Request previously submitted. See Item #7.

13852



Code No. H79

Agency Department of Archives and History

Subject: Request to reestablish positions abolished under Act 517 of 1980, Part I,  
Section 186 (3) (a), as having been vacant 9 months or longer.

Request is to establish 1 position at Columbia, S. C.

as follows:

<u>Date</u> <u>Abolished</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u> <u>State</u> <u>Federal</u> <u>Other</u>
Sept. '80	Records Manager	35	3655	18,392	100%

Request Justification:

See attached letter dated September 26, 1980

☐ Recommend Approval

Charles E. Lee

Agency Signature

9/26/80

Date

☒ Recommend Disapproval

Allan Kincaid

State Budget Analyst

10/6/80

Date

Preston T. Cantrell

Budget Section Director

10/6/80

Date

13853



South Carolina Department of Archives and History  
1430 Senate Street  
Columbia, S. C.

P. O. Box 11,669  
Capitol Station 29211  
803 — 758-5816

September 26, 1980

Mr. Alan Kincaid  
Budget Analyst  
State Auditor's Office  
207 Wade Hampton Building  
P.O. Box 11333  
Columbia, South Carolina 29211

RECEIVED  
SEP 30 1980  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION

Dear Alan:

This department was informed recently that the position of Assistant Director for Local Records had been dropped as an authorized one because it had remained vacant for an extended period of time. The position is an essential one for the Department of Archives and History to properly carry out its assigned functions under the provisions of the Public Records Act (1976 Code of Laws of the State of South Carolina, Sections 30-1-10 through 30-1-140) which requires a records management program to be administered by the Archives. The required program includes local as well as state government. Due to limited resources and the existence of many early records of historical and legal value in the counties, the Department's Local Records program is concentrating on safeguarding the most important of these by administering a security microfilming program for land conveyances and plats up to 1920 remaining in the counties, providing security film storage and quality assurance for county generated microfilm copies of vital records, processing and arrangement of county records of permanent value transferred to the Archives for preservation and research, and inventory and scheduling of county government records for permanent retention or legally authorized disposal according to the determined value of the records.

These four sub-programs require expert knowledge and experience, close attention, coordination and supervision of 16 employees in the Local Records Section to meet the need to safeguard the older local public records of permanent value and provide economical and efficient records management for the more recent records. When the position became vacant due to the resignation of Julian L. Mims who chose to go into the records management consulting business for himself, the Archives Commission had authorized a study of the magnitude of the problem faced by the Local Records Section in carrying out its assigned duties. There are, for example, over 35,000,000 pages of records of permanent value in 34 counties in need of inventory and scheduling. The report and recommendations of

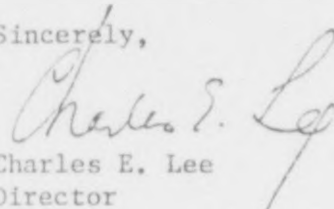
13854

Mr. Alan Kincaid  
page 2  
September 26, 1980

the Deputy Director regarding the overall local records problem had to be studied to determine what changes, if any, needed to be made in the Local Records program. The study and implementation of the report has not been completed, but the Department has decided with the approval of the Archives and History Commission to continue the position of Assistant Director for Local Records to supervise directly the program of archival management for local government.

It is therefore requested the position be reinstated and I have enclosed a copy of the position questionnaire prepared as required by the Division of Personnel for your information.

Sincerely,



Charles E. Lee  
Director

CEL:rlb  
enclosure

13855



IN AUTHORIZED POSITION  
COUNT

Date 11/13/80

Item Number 31

**EXHIBIT**

Agency: S. C. State Library

JAN 27 1981

NO. 14

Subject: Establishment of Position Above Number Authorized

STATE BUDGET & CONTROL BOARD

The S. C. State Library request authorization to divide one (1) 100% State Funded position. Library Technical Assistant III Position into two (2) permanent part-time Library Technical Assistant III Positions.

Board Action Requested:

Authorize the establishment of one Library Technical Assistant III Position.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

1. Letter from the State Librarian
2. Budget Development Form
3. Position Summary Form

13856

POSITION SUMMARY

AGENCY H87 S. C. State Library

DATE COMPILED 11/13/80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	44	5	-	49
NOT ESTABLISHED	-0-	-0-	-	0
ESTABLISHED	44	5	-	49
FILLED	44	5	-	49
VACANT	-0-	-0-	-	0

COMMENTS:

1. Item #31
2. Request previously submitted - See Item #24.

13857

Code No. H87

Agency S. C. State Library

Subject:

Request is to establish 1 positions at Columbia, S. C.  
as follows:

Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
				State	Federal	Other
Library Tech. Asst. III	18	3453	\$4,862	100%		

Request Justification:

To make (1) Full-Time Position into (2) Permanent Part-Time Positions. See attached letter for detail.

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

Allen Kincaid

State Budget Analyst

10-31-80

Date

P. C. King

Budget Development Director

10-31-80

Date

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

Grants & Review Analyst

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

**13858**





# The South Carolina State Library

1500 Senate Street

P. O. Box 11469

Columbia, South Carolina 29211

PHONE 758-3181

*See  
Please handle*

October 30, 1980

**RECEIVED**  
OCT 31 1980  
STATE AUDITOR'S OFFICE  
DIVISION OF ADMINISTRATION

Mr. Edgar A. Vaughn, Jr.  
State Auditor  
207 Wade Hampton Office Building  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear Mr. Vaughn:

The State Library requests that consideration be given to a proposal to divide a state funded Library Technical Assistant III position (Grade 18, Class Code 3453) in our Technical Services Department. The State Library has experienced great difficulties in the recruitment of black professional librarians. This request is being made to address this problem.

Currently the State Library has no black professional librarians. The national pool of available black librarians is small, which means that recruitment is intense. Salaries at the State Library are not competitive with those available elsewhere. Consequently, we have not been able to attract any black professional librarians.

In order to achieve the ultimate objective of employing black professional librarians, we propose to recruit two qualified black college graduates who are interested in attending graduate library school. They would work at the State Library part-time and also attend the University of South Carolina, College of Librarianship on a part-time basis. After one person has graduated and been placed in a professional librarian's slot on the State Library's staff, the position would return to one full-time position. Let me stress the need for one full-time equivalent for this position. It is not our intention to later request that they be made full-time.

The staff member in this slot currently has been admitted to the University of South Carolina, College of Librarianship. She is working full time and taking one course on her own time. Approval of this proposal would allow the State Library to reduce the incumbent to part time and to employ a second person, also part time.

13859

Mr. Edgar A. Vaughn, Jr.

-2-

October 30, 1980

This is our second request to divide a position. On October 20, 1980, I wrote Senator Waddell requesting reconsideration of our request to divide an LTA I position (Grade 11, Class Code 3451).

I will greatly appreciate your consideration of this request. If you should have questions about our need or the justification for the action requested, I will be pleased to meet with you to explain fully.

Sincerely yours,

*Betty E. Callahan*

Betty E. Callahan  
Librarian

BEC:alb

cc: Dr. Jesse Coles  
Mr. Allan Kincaid

13860

IN AUTHORIZED POSITION  
COUNT

Date 11/26/80

Item Number 32

**EXHIBIT**

Agency: Vocational Rehabilitation

JAN 27 1981 NO. 14

Subject: Establishment of Positions Above The Number Authorized

STATE BUDGET & CONTROL BOARD

The S. C. Department of Vocational Rehabilitation request authorization to establish Forty-Four (44) 100% Federally funded positions above the number authorized. The Agency has received the approval of the Joint Appropriation Review Committee.

Board Action Requested:

Authorized the establishment of Forty-Four (44) 100% Federally Funded Positions.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Approval*

Attachments:

1. Grants and Contract Review Section Files.
2. Agency's Positions Summary Report.
3. Budget Development Request For New Position Form.

13861



POSITION SUMMARY

AGENCY LOS Vocational Rehabilitation

DATE COMPILED 11/26/80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	784	356	28	1,168
NOT ESTABLISHED	(-2)	47	(-1)	44
ESTABLISHED	786	309	29	1,124
FILLED	753	280	27	1,060
VACANT	33	29	2	64

COMMENTS:

1. Item #32.

13862

## REQUEST FOR NEW POSITION

DATE: 11/25/80

FROM: S.C. VOCATIONAL REHABILITATION DEPARTMENT

CODE NO. L08

Agency

P. O. Box 4945, Columbia, S.C. 29240

TO: Budget and Control Board  
Finance Division - Budget DevelopmentSUBJECT: Request for positions exceeding number authorized in 1980-81 Appropriation Act  
Request is to establish 44 new positions at S.C.V.R.D. (Disability Determination Division) as follow:

No. Positions	Positions Title	Grade	Class Code	Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
6	Disability Examiner I	25	5066	12,424	74,544.	100%	
3	Physician II	53	4212	17,219	111,777.	100%	
15	Medical Secretary II	17	0532	7,078	136,170.	100%	
3	D.D. Section Supervisor	32	5072	16,350	49,050.	100%	
12	Disability Examiner III	30	5068	14,116	181,392.	100%	
1	Quality Assur. Anlst.	32	5034	16,350	16,350.	100%	
3	Staff Assistant I	19	0571	8,816	29,450.	100%	
1	Data Coordinator I	22	2841	11,045	11,045.	100%	
					609,778		

REQUEST JUSTIFICATION: Public Law 96-265 (Disability Amendments of 1980) requires a work load increase of approximately 10,000 cases per year to be adjudicated for applying of Disability Social Security Insurance. The new law requires that these disability cases be handled differently than the old law which results in the additional manpower needs.

REQUESTED BY:

DATE: 11/25/80

BUDGET DEVELOPMENT:

GRANTS &amp; REVIEW SECTION:

☒ Recommend Approval☒ Recommend Approval  
Per SACC recommendation 11/18/80☐ Recommend Disapproval☐ Recommend Disapproval

State Budget Analyst

Date

Grants &amp; Review Analyst

Date

Budget Development Director

Date

Grants &amp; Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13863

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR

P. O. BOX 11333

COLUMBIA

29211

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MEMORANDUM

TO: Mike Ey, Joint Legislative Committee on  
Personal Services, Financing, and Budgeting

FROM: George F. Oliver, Director of Grant Services *G. Oliver*  
Budget and Control Board

DATE: November 19, 1980

SUBJECT: Department of Vocational Rehabilitation Request for  
Positions above 1980-81 Authorized Ceiling

The Joint Legislative Appropriations Review Committee at their meeting on November 18, 1980, approved the attached program with the condition that the request for 44 new positions be forwarded to the Joint Committee on Personal Services, Financing, and Budgeting with the following conditions:

"Project approved with the condition that the Joint Committee on Personal Services, Financing, and Budgeting establish a new classification for the 44 additional 100 percent federally funded employees requested on the Disability Insurance benefits program or that the new positions requested be within the agency's authorized ceiling of the 1980-81 Appropriations Act."

The Joint Appropriations Review Committee received testimony from Mr. Joe Dusenbury regarding this request, and he indicated that vacancies do exist within the Division of Vocational Rehabilitation however the Vocational Rehabilitation Board would not authorize the use of these unfilled positions to be used for this program but wanted new positions established above the 1980-81 authorized ceiling.

It is requested that the Joint Personal Services Committee consider this request at their next meeting and provide a copy of their decision to the Finance Division for further Budget and Control Board action under Section 5 of South Carolina Act 651.

13864

TELEPHONES (AREA CODE 803)

ADMINISTRATION  
758-3106

BUDGET DIVISION  
758-7418

AUDITING DIVISION  
758-8406

GRANTS AND CONTRACTS  
758-7707

ENGINEERING  
758-2657



FEDERAL ASSISTANCE		2. APPL. CANTS	3. NUMBER	4. STATE APPLICATION IDENTIFIER	5. NUMBER
1. TYPE OF ACTION	<input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION <input type="checkbox"/> NOTIFICATION OF INTENT (NFI) <input type="checkbox"/> REPORT OF FEDERAL ACTION	APPL. CATION	6. DATE 80 9 29	7. DATE ASSIGNED 19	8. NUMBER 1-408-006
4. LEGAL APPLICANT/RECIPIENT			5. FEDERAL EMPLOYER IDENTIFICATION NO. 57-6000286-B-3		
1. AGENCY NAME: South Carolina Vocational Rehabilitation 2. ORGANIZATION UNIT: Disability Determination Division 3. STREET/P.O. BOX: P. O. Box 4945 4. CITY: Columbia 5. STATE: South Carolina 6. COUNTY: Richland 7. ZIP CODE: 29240 8. CONTACT PERSON (Name): T. E. Ringer, Jr. 9. TELEPHONE NO.: (803) 758-2288			10. TITLE: Disability Insurance Benefits Program 11. TYPE OF APPLICANT/RECIPIENT: A 12. TYPE OF ASSISTANCE: E		
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT			13. TYPE OF APPLICATION		
Social Security and Supplemental Security Income Disability Insurance Programs. (Disability Determination Service)			14. AREA OF PROJECT IMPACT (Name of State, Territory, etc.): South Carolina 15. ESTIMATED NUMBER OF PERSONS BENEFITING: 50,000 16. TYPE OF CHANGE (For use of 14): N/A		
10. AREA OF PROJECT IMPACT (Name of State, Territory, etc.): South Carolina			11. ESTIMATED NUMBER OF PERSONS BENEFITING: 50,000		
12. PROPOSED FUNDING			13. CONGRESSIONAL DISTRICTS OF:		
1. FEDERAL: \$7,218,904 2. APPLICANT: 0 3. STATE: 0 4. LOCAL: 0 5. OTHER: 0 6. TOTAL: 0			1. APPLICANT: Statewide 2. PROJECT: Statewide 14. PROJECT START DATE: 80 10 01 15. PROJECT DURATION: 12 Months 16. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY: 19		
17. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP Code): SSA/RO, 101 Marietta Tower, Suite 1703, Atlanta, Georgia 30323			18. REMARKS ADDED: Yes No		
19. CERTIFYING OFFICER (Name, Title): J. S. Dusenbury, Commissioner			20. DATE SIGNED: 80 10 31		
21. AGENCY NAME			22. ORGANIZATIONAL UNIT		
23. ADDRESS			24. ADMINISTRATIVE OFFICE		
25. ACTION TAKEN			26. FUNDING		
1. AWARDED 2. REJECTED 3. RETURNED FOR AMENDMENT 4. DELETED 5. WITHDRAWN			1. FEDERAL: 5 2. APPLICANT: 0 3. STATE: 0 4. LOCAL: 0 5. OTHER: 0 6. TOTAL: 5		
27. ACTION DATE: 80 10 31			28. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number):		
29. STARTING DATE: 80 10 31			30. ENDING DATE: 80 10 31		
31. REMARKS ADDED			32. FEDERAL AGENCY AND OFFICIAL (Name and telephone number):		

13865  
7/1/70

5. Will any of the funds be granted or contracted to other State agencies?

☐ Yes ☒ No If YES, attach a list of agencies and estimated amounts to be subgranted.

6. Indicate by checking the appropriate blocks the supportive services that will be provided or be a component part of this project:

☐ Transportation Services

☐ Medical or Health Services

☐ Data Processing Services

☐ Other (Identify) \_\_\_\_\_

☐ Training (Staff or Participants) \_\_\_\_\_

7. Does this program require environmental impact statements? ☐ Yes ☒ No

8. Does this program require additional space beyond the amount necessary for current operations? ☒ Yes ☐ No If YES, complete the following:

a. Are the necessary funds for this additional space included in the amount requested from the federal agency in your proposal? ☒ Yes ☐ No

b. If NO, explain what arrangements your agency will make to provide the additional space if the program is funded. \_\_\_\_\_

#### SECTION 5 - ABSTRACT

Provide a narrative statement which will address the following specific items:

A. Describe the public benefit to be derived from the program or service by identifying:

1. The existence, scope and level of need for the program or service; and
2. The objectives of the program.

B. Describe how the program effectiveness will be measured. For continuation programs attach a copy of the last performance evaluation.

C. Identify the program area this project will support as indicated in the current State Budget Request.

D. Describe what action will be taken to continue program if federal funds are withdrawn, decreased or if federal regulations mandate increased State matching funds in subsequent periods.

See attached.

PART II

SECTION 1--PROPOSED BUDGET CATEGORIES, FIRST YEAR

1. Object Class Categories	(1) Federal	(2) State*	(3) Other*	(4) Other*	(5) Total
a. Personnel	\$ 3,167,724	\$ 0	\$ 0	\$ 0	\$ 3,167,724
b. Fringe Benefits % 15	559,009	0	0	0	559,009
c. Travel	32,768	0	0	0	32,768
d. Equipment	127,276	0	0	0	127,276
e. Supplies	99,581	0	0	0	99,581
f. Contractual	204,223	0	0	0	204,223
g. Construction	0	0	0	0	0
h. Other	2,588,009	0	0	0	2,588,009
i. Total Direct Charges	6,778,590	0	0	0	6,778,590
j. Indirect Charges % 13.9	440,314	0	0	0	440,314
k. TOTALS	\$ 7,218,904	\$ 0	\$ 0	\$ 0	\$ 7,218,904
2. Program Income	\$	\$	\$	\$	\$

\* Indicate In Kind (IK) or Cash (C) with the amount at each object class category

SECTION 2--BUDGET ESTIMATES OF FUNDS NEEDED FOR THE CONTINUATION OF THE PROJECT

(a) Source of Funds	Future Funding Periods (Years)			
	(b) Second	(c) Third	(d) Fourth	(e) Fifth
1. Federal	\$8,602,684	\$9,462,952	\$10,409,247	\$11,450,171
2. State	0	0	0	0
3. Other	0	0	0	0
4. Other	0	0	0	0
5. TOTALS	\$8,602,684	\$9,462,952	\$10,409,247	\$11,450,171

SECTION 3

1. Method of Payment: ☐ Advance ☐ Reimbursement ☒ Letter of Credit  
☐ Other (Identify) \_\_\_\_\_

2. Will specified project obligate or require State appropriations beyond one year?  
 \_\_\_ Yes \_\_\_ No ☒ No If yes, explain \_\_\_\_\_

**13867**



3. Comptroller General's Acct. No. 2514-0002 4. S. C. Code Authority 5. Funds ☒ Restricted ☐ Unrestricted

6. Was this Federal Program included in your current agency Budget Request to the Budget and Control Board? ☒ Yes ☐ No \$6,035,443.00 (SFY 81)  
If YES, indicate the amount proposed \$ \$6,288,212.00 (SFY 82).

7. If State funds are utilized in this project, are the State funds authorized in the Current Appropriations Act? ☐ Yes ☐ No N/A

8. Are funds included for the audit of the expenditures for this program? ☐ Yes ☒ No

9. If answer to Question 8 is YES, identify funds in budget activity level. N/A

10. If this is for a continuation program, are there any authorized carryover funds available for new funding period? ☐ Yes ☒ No Amount \$

11. Project Personnel Information	NUMBER	AMOUNT		
		Federal	State	Other
a. New Positions	44	\$ 412,575	\$	\$
b. Positions to be Continued	166	2,755,149		
c. Temporary Positions	0			
d. TOTAL NUMBER OF POSITIONS FUNDED (sum of a-c)	210	\$ 3,167,724	\$	\$

12. Will current State appropriated funded personnel be utilized in this federal program? ☐ Yes ☒ No If YES, attach a list of position titles affected and total amount shifted from State funds to Federal or other funds.

#### SECTION 4

1. List the agencies, State and local, who have been consulted or involved in the development of this program.

2. Does this program require any other State, local or regional approval? ☒ Yes ☐ No  
If YES, Identify. Department of Health & Human Services  
Social Security Administration

3. Is this program covered by an approved plan? ☒ Yes ☐ No If YES, identify.  
South Carolina Vocational Rehabilitation Five Year Plan

4. Does this program involve construction, land acquisition, land development or land management? ☐ Yes ☒ No If YES, identify.

Grants and Contracts Review Form 1

Section 5--Abstract

A. The Social Security and Supplemental Security Disability Programs are ongoing programs for providing monthly financial support to individuals who have become disabled and are unable to engage in substantial gainful activity. The program currently evaluates some 50,000 claims for disability benefits per year and at the present time there are slightly over 92,000 citizens in South Carolina receiving such benefits. At the present time in excess of 240 million dollars per year are being received by South Carolina recipients in primary benefit amounts alone. Those individuals receiving Social Security Disability benefits for two or more years are also entitled to Medicare coverage and individuals found disabled for Supplemental Security Income are entitled to Medicaid at the time they begin receiving benefits. The program is designed to ensure that those applicants meeting the criteria for disability as defined in the Social Security and Supplemental Security Income regulations are approved to receive the benefits, and those individuals who are not or are no longer entitled to such benefits are found not eligible. The overall objective is to provide a just and timely decision for each applicant for disability benefits under Social Security or Supplemental Security Income.

B. Program effectiveness is measured by extensive statistical analysis by the Social Security Administration. The quality of the program is measured through a three tier review system. Tier I of the system is the agency's own internal Quality Assurance Unit. The Unit reviews roughly 20% of the agency's final decisions to ensure that the development practices, evaluation criteria, requirements of the law, and technical accuracy are in accordance with the mandatory requirements in the Disability Insurance State Manual as found in Part IV of the Social Security Administration's Program Operations Manual System. Tier II of the system is a comprehensive review of the agency's total production by the Disability Analysis Branch of the Social Security Administration's Office of Assessment in the SSA Regional Office in Atlanta. These reviews are done prior to effectuation of the decision. The percentage of claims reviewed at the present time is 15% and will increase to 35% in FY 1982. Tier III of the review system is a review by the Office of Assessment, Office of Disability Operations in SSA's National Headquarters. This review includes a combination of claims reviewed in the SSA Regional Office as well as claims sent directly from the State Agency to Baltimore. The findings from these reviews are expressed in "accuracy ratings" with the present accuracy goal of 94% of the claims processed to be with no substantive deficiencies. In addition to the qualitative review, each claim received and processed by the agency requires input into the Social Security Administration's claims control system and through the input of receipt, clearance, and determination data, statistics are compiled for processing time on all types of claims. The processing time statistics are published for the nation, region, and state. Goals for each type of claim are established by the Social Security Administration. The number of claims pending in the agency over 45 days and the number of claims over 70 days old are also monitored by the Social Security Administration with goals established for maximum percentages of the pending caseload.

Through the 1980 Amendments to the Disability Program regulations, the Social Security Administration has established threshold levels of performance for all agencies. Agencies not meeting the established threshold levels of performance will undergo extensive federal analysis. Should the level of performance continue below the established thresholds, the operation of the program in the state would be

terminated and assumed by the Social Security Administration. In addition to the national criteria, the state establishes its own internal goals on decisional accuracy; claims development accuracy; technical accuracy; processing time; 45, 70, and 100 day old case percentages; goals for processing times at various work stages; and overall production.

C. Disability Determination Divison

D. In the event that federal funds are discontinued, the program would no longer be operated in the state.



### Background

#### Disability Determination Division South Carolina Vocational Rehabilitation Department

The following information is provided to give a brief history and description of the Disability Program being administered by the South Carolina Vocational Rehabilitation Department through the Disability Determination Division. The terminology used in negotiations with the Social Security Administration will be explained to provide a better understanding of the administrative concepts and the characteristics of the program.

Under the Social Security Act, individuals who are disabled, as defined by the law, may receive monthly benefits during the time period that they are considered disabled. For the purposes of the Social Security Act "disability" means the inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which has lasted or can be expected to last for 12 months, or which will result in death. An "impairment" is further defined as an anatomical, physiological, or psychological abnormality which is medically determinable. "Medically determinable" impairments are those which manifest themselves as signs or laboratory findings which can be observed through the use of medically acceptable clinical techniques or laboratory data in contrast to "symptoms" which are subjective perceptions. This definition is used in all programs handled by the Disability Determination Division.

The Disability Program was established in 1954 under Title II of the Social Security Act. At the time the program was established, Congress directed that the determinations of disability be made by a State Agency under an operating agreement with the federal government. They further stipulated that this program would most ideally be a component of the existing Vocational Rehabilitation Agency in view of the medical and vocational evaluations required. Consequently, the program was established as a component of the South Carolina Vocational Rehabilitation Department in this state. In 1973, with the passage of the Welfare Reform Legislation (HR-1), Congress directed that the establishment of "disability" for purposes of a disability program funded by the general tax revenue (formerly those disability programs handled by welfare agencies) be done utilizing the same criteria used in determining disability under the Social Security Programs. For that reason, the administrative responsibility for handling the new disability program (Supplemental Security Income Disability) was assigned to the Social Security Administration. The program was consequently defined under Title XVI of the Act.

Applicants for disability benefits under Title II or Title XVI apply for those benefits at the Social Security District or Branch Office in their local community. The Social Security Office prepares a case folder and begins development of certain non-medical eligibility information. A case folder containing limited background information about the claimant's impairments, treatment sources, and brief vocational background is forwarded to the Disability Determination Division. Medical and vocational development is begun and the development of both medical and non-medical information continues independently in the two organizations under the concept of "simultaneous development". Within the Disability Determination Division, the claim is assigned to a professional Disability Examiner who is responsible for developing the medical and vocational evidence that will be necessary in reaching the disability

decision. The division has permanent physicians on duty to assist in the evaluation of medical aspects of the claim and to give guidance in medical development. At the time the determination is made, it is jointly signed by the Disability Examiner and the agency Medical Consultant. The evaluation process is conducted under the rigid documentation guidelines required by the Social Security regulations. Under each program, (Social Security Disability Insurance and Supplemental Security Income) there are multiple types of claims, each governed by specific requirements of the law. In addition, each claim received and handled by the agency requires extensive statistical reporting and rigid case control.

The Disability Determination Division has Regional Offices in Columbia, Greenville, and Charleston with all types of claims being handled in each office with the exception of development requests for the Bureau of Hearings and Appeals. These development requests are all handled in the Columbia Office. In addition, the Administrative Office of the Disability Determination Division is located separately in the State Office of Vocational Rehabilitation. Claims are forwarded directly from the Social Security Offices corresponding to the geographic area served by the Regional Offices. State-wide, the Disability Determination Division handles in excess of 50,000 claims per year. Approximately 22% of these claims are "concurrent claims" which means that the individual has filed for both Social Security and Supplemental Security Income Disability benefits. Consequently, the 50,000 claim folders would represent roughly 40,000 individual applicants. The Division has 157 full-time and 7 part-time employees with a manpower advisory for FY 1980 of 164 from the Social Security Administration. The Disability Amendments of 1980 (Public Law 96-265) will have a marked impact on the operation of the Division and the functions required in processing a disability claim. Four major components of the legislation will affect the Division most significantly. They are:

#### I. Preeffectuation Review

Beginning in October, 1980 the Social Security Administration will increase its review of claims processed by the Disability Division from approximately 5% to approximately 15%. These claims will be reviewed by federal components and where necessary will be returned for additional development action. The percentage of claims reviewed will increase to 35% in FY 1982 and 65% in FY 1983. The increase in claims reviewed will result in a rather substantial increase in the number of claims requiring additional development. Consequently, this will require additional manpower and resources for claims processing. The provision will require an additional 4.3 manyears in FY 1981 with additional increases required during subsequent fiscal years.

#### II. Payment for Evidence of Record

Beginning in December, 1981, the Division will be authorized to pay for medical evidence of record in Title II (Social Security) claims. Previously, payment for this type of evidence was restricted to Title XVI (SSI) claims. This will result in an additional 9,892 payment actions during FY 1981 requiring an additional 3.4 manyears in staffing.

### III. Personalized Notification of Denial

The legislation requires that in each claim denied by the Division, a personalized notification be prepared explaining to the applicant exactly what provisions of the law were used in processing his claim and specifically why his claim is being denied. The additional professional and clerical time required for these notifications will result in an increased manpower need of 20.4 manyears.

### IV. Periodic Review of Claims

The amendments now require that on a regular basis a review of each recipient's claim be done to determine whether or not disability is continuing. The continuing disability investigations (CDI) will increase the agency's workload by a minimum of nearly 5,000 claims per year and will result in an additional staff requirement of approximately 21.3 manyears. The staffing for these particular amendments will be discussed in more detail since the acquisition of staff is a critical factor in handling this workload.

As a first step in the Continuing Disability Investigation process, the agency will receive 1,300 claims that were initially converted from State Welfare rolls to the SSI Program during 1974. These conversion claims will be processed during FY 1981 and will require 5.4 manyears for processing. The periodic review provisions of the law go into effect in January, 1982. Since those claims will be identified and ready for processing at that time, adequate trained staff will need to be ready for handling them on January 1, 1982. Since the continuing disability investigation claims are highly complex and require the most skilled staff for handling, the staff must be selected and trained well in advance of the implementation date. Naturally, the staff for this provision will come from experienced individuals on duty who, in turn, must be replaced with new staff selected and trained to handle initial claims. The selection and training process will require that the staff for the Periodic Review Amendments be on duty no later than August, 1981. The caseload will require an additional 5.2 manyears in FY 1981 (total staffing includes the staff handling the conversion claims in FY 1981) for a total 10.6 manyears. Since the remaining 10.7 manyears required for these provisions will be clerical staff, the training requirement will not be as expensive as for the professional staff. Consequently, the manpower will not be required prior to October, 1981.

It should be noted that these provisions represent the minimum staff projected for the workload and additional increases may be necessitated by actual workload realization.



IN AUTHORIZED POSITION  
COUNT

Date 12/5/80

Item Number 33

Agency: Medical University of S. C.

EXHIBIT

JAN 27 1981 NO. 14

Subject: Request to Change Funding Sources

STATE BUDGET & CONTROL BOARD

The Medical University of S. C. request authorization to change source of funding on Nine (9) positions per attached list. These positions are in the University's Consortium of Community Hospital Program.

Board Action Requested:

Authorized source of fund changes for nine (9) positions.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

1. Letter from The Medical University of S. C.
2. Position Request Form
3. Position Summary Form

13874

POSITION SUMMARY

AGENCY H51 Medical University of S. C.

DATE COMPILED 12/5/80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	4,729	307	135	5,171
NOT ESTABLISHED	34	29	9	72
ESTABLISHED	4,695	278	126	5,099
FILLED	4,504	230	108	4,842
VACANT	191	48	18	257

COMMENTS:

1. Item #33.

13875

BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. H-51

Agency Medical University of South Carolina

Subject: Request for State Funded positions exceeding number authorized in 1980-81 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
011716	0501	0077	Secretary I	8,071	4,035	4,036		8,071		
011681	0501	0038	Secretary I	10,774		10,774		10,774		
011741	0501	0112	Secretary I	8,475		8,475		8,475		
060679	0502	0085	Secretary II	10,481	5,240	5,241		10,481		
011804	0502	0064	Secretary II	10,563		10,563		10,563		
011618	0378	0020	Acct. Ck. III	11,083		11,083		11,083		
011975	0571	0033	Staff Asst. I	13,037		13,037		13,037		
093951	2811	0001	Comp. Prog. II	14,111		14,111		14,111		
015554	9067	0014	Assistant	17,710		17,710		17,710		

REQUEST JUSTIFICATION

The 1980-81 Appropriation Bill already provides for increased State funding of the Consortium of Community Hospitals Program due to a reduction in Federal sources. When the increased funding was granted, however, the above positions were not considered. For the program to be continued, we are requesting permission to change the source of funding to the State funds already approved for this program.

REQUESTED BY: John E. Wise  
DATE: 11/7/80

BUDGET DEVELOPMENT:

☒ Recommend Approval  
☐ Recommend Disapproval

James T. Rush 11/13/80  
State Budget Analyst Date  
R. C. Currell 11-13-80  
Budget Development Director Date

GRANTS & REVIEW SECTION:

☐ Recommend Approval  
☐ Recommend Disapproval

\_\_\_\_\_  
Grants & Review Analyst Date  
\_\_\_\_\_  
Grants & Review Director Date  
\_\_\_\_\_  
State Auditor Date

BUDGET AND CONTROL BOARD ACTION:

**13876**



OFFICE OF THE VICE PRESIDENT FOR  
ADMINISTRATION AND FINANCE  
(803) 792-4291



## Medical University of South Carolina

171 ASHLEY AVENUE / CHARLESTON, SOUTH CAROLINA 29403

November 20, 1980

Mr. Edgar A. Vaughn, Jr., State Auditor  
207 Wade Hampton Office Building  
P.O. Box 11333  
Columbia, South Carolina 29211

Dear Mr. Vaughn:

By this letter I am requesting approval for changing the fund source on nine positions in our Consortium of Community Hospitals Program. Prior to this letter, we sent a form requesting the change to our budget analyst, Mr. James Rush, a copy of which is attached.

I understand that requests of this type now must go through a lengthy approval process; however, your cooperation in expediting this request is appreciated.

Sincerely yours,

John E. Wise, Vice President  
Administration and Finance

JW:jmc

Attachment

RECEIVED  
DEC 01 1980  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION

13877

REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date 12-12-80

Item Number 34

**EXHIBIT**

Agency: Patriot's Point Development Authority

JAN 27 1981

NO. 14

Subject: Request to increase the number of Authorized Positions. STATE BUDGET & CONTROL BOARD

On August 4, 1980, Patriot's Point requested, in writing, a staff reduction of twenty (20) State Funded Positions and the transfer of some \$42,374, from Personal Services to Contractual Services, to pay for contracted janitorial services. In a letter to the State Auditor on November 21, 1980 Patriot's Point stated that its previous instructions were incorrect that only eight (8) of the twenty (-20) positions reductions should have been state funded. Therefore, Patriot's Point is now requesting a funding change of twelve (12) positions from other funds to state funds. See Item #20 previously submitted and approved.

Board Action Requested:

Authorize the change in Source of Fund for twelve (12) positions.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

1. Letter from Patriot's Point.
2. Position Request Form.
3. Position Summary Form.

13878

POSITION SUMMARY

AGENCY P36 Patriot's Point

DATE COMPILED 12-12-80

	GENERAL FUND	FEDERAL	OTHER	TOTAL
AUTHORIZED	12	-	13	25
NOT ESTABLISHED	-12	-	+12	-0-
ESTABLISHED	24	-	1	25
FILLED	24	-	-	24
VACANT	-0-	-	1	1

COMMENTS:

1. Item #34.
2. See Item #20.

13879



BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. P-36

Agency Patriot's Point Development Authority

Subject: Request for State Funded positions exceeding number authorized in 1980-81  
Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
	0571		Staff Asst. I	\$11,045	50%		50%	100%		
	3510		Graphic Artist	11,045	50%		50%	100%		
	7723		Shipfitter Supv.	12,424	50%		50%	100%		
	7731		Marine Electrician	11,487	50%		50%	100%		
	2408		Admin. Asst. I	12,424	50%		50%	100%		
	6860		Dir. of Eng. & Mnt	16,350	50%		50%	100%		
	7351		Safety & Sec.Off.	9,820	50%		50%	100%		
	7351		Safety & Sec.Off.	9,820	50%		50%	100%		
	7351		Safety & Sec.Off.	9,820	50%		50%	100%		
	7378		Chief Security Off	11,487	50%		50%	100%		
	7732		Marine Elec. Supv.	12,922	50%		50%	100%		
	7796		Marine Mach. Supv.	12,424	50%		50%	100%		

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

Allan Kincaid  
State Budget Analyst

12/11/80  
Date

Grants & Review Analyst

Date

Preston T. Cantrell  
Budget Development Director

12/11/80  
Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13880

# PATRIOTS POINT



## THE NAVAL AND MARITIME MUSEUM

State of South Carolina  
Patriots Point Development Authority  
Post Office Box 986  
Mt. Pleasant, South Carolina 29464  
803/884-2727

### MEMORANDUM:

21 NOV 80

TO: State Auditor

Subj: Positions at Patriots Point

1. On 14 October 1980 the Budget and Control board authorized the reduction in force positions for the Authority in the number of 20 total positions and further authorized the transfer of \$42,374 Personal Services Funds to Contractual Services.

2. Of the 20 positions cancelled, 8 positions were from State appropriated funds and 12 positions were from Income Revenue source of funds. That then leaves the Patriots Point Development Authority with 25 positions funded in total of which 24 are from State appropriated funds and 1 from income revenue sources.

J.E. Guerry, Jr.,  
Executive Director

RECEIVED  
NOV 24 1980  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION

Charles F. Hyatt, Chairman, Representing the Governor  
Horace L. Tilghman, Jr., V. Chairman, Representing Cong. John W. Jenrette  
A. Crawford Clarkson, Jr., Representing Cong. Floyd D. Spence  
John F. Floyd, Representing Cong. Carroll A. Campbell, Jr.  
Joseph P. Griffith, Representing Sen. Ernest F. Hollings  
J. Mat Hiers, Representing Cong. Kenneth L. Holland

Leroy H. Keyserling, Representing Cong. Mendel J. Davis  
James T. Lazar, Representing Cong. Butler C. Derrick, Jr.  
Charles T. Mauro, Representing Sen. Strom Thurmond  
J.E. Guerry, Jr., Executive Director  
C.G. Waldrop, Deputy Director  
William L. Prioleau, Esq., Legal Counsel

13881

IN AUTHORIZED POSITION  
COUNT

Date 1/9/81

Item Number 36

**EXHIBIT**

Agency: Budget and Control Board - Finance Division

JAN 27 1981

NO. 14

Subject:

STATE BUDGET & CONTROL BOARD

The Budget and Control Board - Finance Division request authorization to transfer three (3) State Funded Positions to the Comptroller General Office. In an attempt to consolidate the entire new Statewide Accounting and Reporting System (STARS) into one operation, the Office of Comptroller General asked the B&C Board - Finance Division to make this transfer.

Board Action Requested:

Authorize the transfer of three (3) State Funded Positions.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Approval*

Attachments:

1. Letter from the Director of Financial Data Processing.
2. Budget Development Form.
3. Positions Summary Reports.

**13882**



POSITION SUMMARY

AGENCY F04 B&C Board - Finance Division

DATE COMPILED 1/9/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	152	14	-0-	166
NOT ESTABLISHED	1	-	-	1
ESTABLISHED	151	14	-	165
FILLED	138	11	-	149
VACANT	13	3	-	16

COMMENTS:

1. Item #36.

13883

POSITION SUMMARY

AGENCY E12 Comptroller General

DATE COMPILED 1/9/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	156	-	-	156
NOT ESTABLISHED	1	-	-	1
ESTABLISHED	155	-	-	155
FILLED	155	-	-	155
VACANT	-	-	-	-

COMMENTS:

1. Item #36.

13884

BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. F04

Agency Budget and Control Board - Finance Division

Subject: Request for State Funded positions exceeding number authorized in 1980-81  
Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
084905	2811	0001	Computer Programmer II					\$13,842		
084906	2819	0004	Programmer Analyst					\$16,711		
084907	2819	0005	Programmer Analyst					\$17,189		

Note: Positions to be transferred.

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

*C. Case*

*CPA*

State Budget Analyst

Date

*11/9/81*

*W. Carter*

Budget Development Director

Date

*11/9/81*

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

Grants & Review Analyst

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13885



January 9, 1981

Mr. Curtis Holt  
Budget Analyst  
State Auditor's Office  
P. O. Box 11333  
Columbia, S. C. 29211

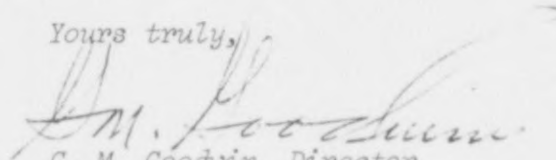
Dear Curtis,

We would like to transfer three (3) positions from Computer Operations to the Comptroller General's STARS Project. The positions are as follows: (2) Programmer Analyst

(1) Computer Programmer II

A copy of the PAIS Forms are attached. If you have any questions, please, do not hesitate to contact me.

Yours truly,

  
G. M. Goodwin, Director  
Financial Data Processing

GMG:ccm

13886

# STATE OF SOUTH CAROLINA

## PERSONNEL ADVICE AND INFORMATION SHEET

LATEST ACTION  
**SALARY CHANGE**

ACTION DATE  
**12/15/80**

### POSITION INFORMATION

AGENCY NAME <b>FINANCE DIVISION</b>										AGENCY CODE <b>44A</b>		CLASSIFICATION TITLE <b>COMPUTER PROGRAMMER II</b>										CLASS CODE <b>2811</b>		SLOT <b>0001</b>		POSITION NO <b>084905</b>		GRADE <b>27</b>		MINIMUM <b>13,439</b>		MAXIMUM <b>19,048</b>		DATE CREATED <b>05/19/80</b>							
A		SYS		MSS		COUNTY		FLSA		F/P		HRS/WK		BASE HRS		AGENCY IDENTIFIER		BUDGET AREA		REPORT SEQ		M-1		SPECIAL FUNDING		STATE FUNDS		FEDERAL FUNDS		OTHER FUNDS		OPEN DATE									
11		110				212		102		103		416		402		999		401		992		104		TYPE		DATE		PERCENT		AMOUNT		PERCENT		AMOUNT		PERCENT		AMOUNT			
																								159		659		532		10000		13842		533				534			
F		2				40		2		F		3750		1950		F04000000000																						05/15/80			

### EMPLOYEE INFORMATION

NAME 990 FIRST <b>ANDERSON</b>										S. S. NUMBER 980 <b>L 247-40-7741</b>										SEX 105 <b>M</b>		RACE 107 <b>W</b>		M.S. 106 <b>M</b>		EDUC 213 <b>15</b>		ACCSN 214 <b>06</b>		REASON <b>01</b>		PERF <b>04</b>		PAY RATE <b>13,842</b>		ANNUAL EQUIVALENT <b>13,842</b>		ADD'L BENEFITS 1 810		ADD'L BENEFITS 2 820		DATE LAST SALARY CHANGE <b>12/05/80</b>	
---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	------------------------	--	-------------------------	--	-------------------------	--	--------------------------	--	---------------------------	--	---------------------	--	-------------------	--	---------------------------	--	------------------------------------	--	-------------------------	--	-------------------------	--	--	--

### EMPLOYEE WORK HISTORY

EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS	EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS	MENT SYS DATE 658	REVIEW DATE 657	
11 06/20/80	03	44A	2811	27	2	13,439	04	F		906											11/23/81	
12 05/23/80	02	44A	2811	27	2	12,560		F		907											DATE OF BIRTH 653	JOB DATE 655
13 12/21/79	01	44A	2805	24	1	11,500	04	F		908											12/20/28	05/23/80
14 06/22/79	03	44A	2805	24	1	11,166		F		909											ADN. HIRE DATE 654	STATE SER. DATE 656
15 06/12/79	06	44A	2805	24	1	10,342		F		910											05/23/80	07/12/79

### LONGEVITY INCREASE HISTORY

EFFECTIVE DATE	AGENCY	CLASS CODE	GRADE	FLSA	F/P	PAY RATE INCREASE	ANNUAL EQUIV INCREASE
11							
12							
13							
14							

### AGENCY USE

EMPLOYEE NBR.	DISTRICT	SECTION
771	317	590
MISC. 1 811	MISC. 2 812	
MISC. 3 813	MISC. 4 814	

### TRANSACTION

<input type="checkbox"/> SAL CHANGE		<input type="checkbox"/> FILL VACANCY		<input type="checkbox"/> MSS CHANGE		<input type="checkbox"/> TERMINATE	
<input type="checkbox"/> CORRECTION		<input type="checkbox"/> REPLACEMENT		<input type="checkbox"/>		<input type="checkbox"/> DELETE	
TERMINATION REASON				CODE 215		TERMINATE DATE 652	
MSYS STA 111		PERFORMANCE		CODE 218		EFFECTIVE DATE 652	
REASONS FOR SALARY CHANGE				CODE 210		AMOUNT 539	
				217		540	

### AGENCY REMARKS

**13887**

**E\$**

SIGNATURE OF DESIGNATED OFFICER \_\_\_\_\_ DATE \_\_\_\_\_

PAYROLL AUTHORIZATION SIGNATURE \_\_\_\_\_

APPROVAL OF THIS REQUEST BY THE STATE BUDGET AND CONTROL BOARD IS CONTINGENT UPON THE PRESENT AVAILABILITY OF FUNDS TO COVER THE ADDITIONAL COST THEREOF.

**RICHARDSON** **12/15/80**

SIGNATURE FOR THE BOARD \_\_\_\_\_ DATE \_\_\_\_\_

# STATE OF SOUTH CAROLINA

## PERSONNEL ADVICE AND INFORMATION SHEET

LATEST ACTION  
GENERAL INCREASE  
ACTION DATE  
06/20/80

### POSITION INFORMATION

AGENCY NAME FINANCE DIVISION										AGENCY CODE 44A		CLASSIFICATION TITLE PROGRAMMER ANALYST										CLASS CODE 2819	SLOT 0004	POSITION NO 084906	GRADE 31	MINIMUM 15,721	MAXIMUM 22,232	DATE CREATED 07/17/78
TA	SYS	MSS	COUNTY	FLSA	F/P	HRS/WK	BASE HRS	AGENCY IDENTIFIER 999			BUDGET AREA 401	REPORT SEQ. 992	M-1 104	SPECIAL FUNDING TYPE DATE 159 659		STATE FUNDS PERCENT AMOUNT 532 10000		FEDERAL FUNDS PERCENT AMOUNT 533 16711		OTHER FUNDS PERCENT AMOUNT 534		OPEN DATE 07/14/78						

### EMPLOYEE INFORMATION

NAME 990 FIRST WILLIAM INIT K										S. S. NUMBER 980		SEX 105	RACE 107	M.S. 106	EDUC. 213	ACCSN. 214	REASON 03	PERF. 03	PAY RATE 16711	ANNUAL EQUIVALENT 16711	ADD'L BENEFITS 1 810	ADD'L BENEFITS 2 820	DATE LAST SALARY CHANGE 06/20/80
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### EMPLOYEE WORK HISTORY

EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS	EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS
03/14/80	01	44A	2819	31	2	15,618	04	F		906									
06/22/79	03	44A	2819	31	2	15,164	04	F		907									
03/02/79	06	44A	2819	31	2	14,200		F		908									
										909									
										910									

### EMPLOYEE DATES

MERIT SYS DATE 658	REVIEW DATE 657
DATE OF BIRTH 653	JOB DATE 655
12/23/48	03/02/79
ASN HIRE DATE 654	STATE SER DATE 656
03/02/79	03/02/79

### LONGEVITY INCREASE HISTORY

EFFECTIVE DATE	AGENCY	CLASS CODE	GRADE	FLSA	F/P	PAY RATE INCREASE	ANNUAL EQUIV INCREASE

### AGENCY USE

EMPLOYEE NBR 771	DISTRICT 317	SECTION 590
MISC. 1 811	MISC. 2 812	
MISC. 3 813	MISC. 4 814	

### TRANSACTION

<input type="checkbox"/> SAL CHANGE	<input type="checkbox"/> FILL VACANCY	<input type="checkbox"/> MSS CHANGE	<input type="checkbox"/> TERMINATE
<input type="checkbox"/> CORRECTION	<input type="checkbox"/> REPLACEMENT	<input type="checkbox"/> DELETE	
TERMINATION REASON		CODE 215	TERMINATE DATE 652
MSYS STA 111	PERFORMANCE	CODE 218	EFFECTIVE DATE 652

### AGENCY REMARKS

13888

SIGNATURE OF DESIGNATED OFFICIAL \_\_\_\_\_ DATE \_\_\_\_\_

PAYROLL AUTHORIZATION SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

REASONS FOR SALARY CHANGE	CODE 210	AMOUNT 539
	217	543

APPROVAL OF THIS REQUEST BY THE STATE BUDGET AND CONTROL BOARD IS CONTINGENT ON THE PRESENT AVAILABILITY OF FUNDS TO COVER THE ADDITIONAL COST THEREOF.

RICHARDSON  
SIGNATURE FOR THE BOARD  
06/20/80  
DATE



# STATE OF SOUTH CAROLINA

## PERSONNEL ADVISE AND INFORMATION SHEET

LATEST ACTION: GENERAL INCREASE ACTION DATE: 06/20/80

### POSITION INFORMATION

AGENCY NAME: FINANCE DIVISION										AGENCY CODE: 44A		CLASSIFICATION TITLE: PROGRAMMER ANALYST										CLASS CODE: 2819	SLOT: 0005	POSITION NO: 084907	GRADE: 31	MINIMUM: 15,721	MAXIMUM: 22,282	DATE CREATED: 11/14/79
A	SYS	MSS	COUNTY	FLSA	F/P	HRS/WK	BASE HRS	AGENCY IDENTIFIER: 999		BUDGET AREA: 401	REPORT SEQ: 992	M-1	SPECIAL FUNDING		STATE FUNDS		FEDERAL FUNDS		OTHER FUNDS		OPEN DATE: 651							
11	110		212	102	103	416	402					104	TYPE: 159	DATE: 659	PERCENT: 532	AMOUNT: 10000	PERCENT: 533	AMOUNT: 17189	PERCENT: 534	AMOUNT:	11/14/79							

### EMPLOYEE INFORMATION

NAME: 990			S. S. NUMBER: 990			SEX: 105	RACE: 107	M.S: 106	EDUC: 213	ACCSN: 214	REASON: 13	PERF:	PAY RATE: 17189	ANNUAL EQUIVALENT: 17189	ADD'L BENEFITS 1: 810	ADD'L BENEFITS 2: 820	DATE LAST SALARY CHANGE: 06/20/80
FIRST: GEORGE			INIT: W			249-92-4946			H W S 14 06 13								

### EMPLOYEE WORK HISTORY

EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS	EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	FLSA	ANNUAL EQUIVALENT	PERF	F/P	MSS
05/23/80	01	44A	2819	31	1	16,065	04	F		906									
06/22/79	03	44A	2819	31	1	15,598	04	F		907									
05/21/79	06	44A	2819	31	1	14,619		F		908									
										909									
										910									

### EMPLOYEE DATES

MERIT SYS. DATE: 658	REVIEW DATE: 657
DATE OF BIRTH: 653	JOB DATE: 655
09/22/51	05/21/79
AGN. HIRE DATE: 654	STATE SER. DATE: 656
05/21/79	05/21/79

### LONGEVITY INCREASE HISTORY

EFFECTIVE DATE	AGENCY	CLASS CODE	GRADE	FLSA	F/P	PAY RATE INCREASE	ANNUAL EQUIV. INCREASE

### AGENCY USE

EMPLOYEE NBR: 771	DISTRICT: 317	SECTION: 590
MISC. 1: 811	MISC. 2: 812	
MISC. 3: 813	MISC. 4: 814	

### TRANSACTION

<input type="checkbox"/> SAL CHANGE	<input type="checkbox"/> FILL VACANCY	<input type="checkbox"/> MSS CHANGE	<input type="checkbox"/> TERMINATE
<input type="checkbox"/> CORRECTION	<input type="checkbox"/> REPLACEMENT	<input type="checkbox"/> DELETE	
TERMINATION REASON: 215		TERMINATE DATE: 652	
MSYS STA: 111	PERFORMANCE: 218	EFFECTIVE DATE: 652	

### AGENCY REMARKS

REASONS FOR SALARY CHANGE	CODE	AMOUNT
	210	539
	217	540

APPROVAL OF THIS REQUEST BY THE STATE BUDGET AND CONTROL BOARD IS CONDITIONED ON THE PRESENT AVAILABILITY OF FUNDS TO COVER THE ADDITIONAL COST THEREOF.

RICHARDSON 06/20/80

SIGNATURE FOR THE BOARD DATE

13889

SIGNATURE OF DESIGNATED OFFICIAL DATE PAYROLL AUTHORIZATION SIGNATURE DATE

REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date 1/14/81

Item Number 40

**EXHIBIT**

Agency: F02 B&C Board - Executive Director Office

JAN 27 1981 NO. 14

Subject: Request to transfer position.

STATE BUDGET & CONTROL BOARD

The Budget and Control - Executive Director Office request authorization to transfer one (1) State Funded Position to the Comptroller General Office. In an attempt to consolidate the entire new Statewide Accounting and Reporting System (STARS) into one operation. The Office of Comptroller General asked the B&C Board - Executive Director Office to make this transfer.

Board Action Requested:

Authorized the transfer of one (1) State Funded Position

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Approval*

Attachments:

1. Letter from the B&C Board Executive Director.
2. Budget Development Form.
3. Position Summary Report.

**13890**

POSITION SUMMARY

AGENCY E12 Comptroller General

DATE COMPILED 1/ 14/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	156	-	-	156
NOT ESTABLISHED	1	-	-	1
ESTABLISHED	155	-	-	155
FILLED	155	-	-	155
VACANT	-	-	-	-

COMMENTS:

1. Item #40.

13891



POSITION SUMMARY

AGENCY F02 B&C Board - Executive Director Office

DATE COMPILED 1/14/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	12	-	-	12
NOT ESTABLISHED	-	-	-	-
ESTABLISHED	12	-	-	12
FILLED	10	-	-	10
VACANT	2	-	-	2

COMMENTS:

1. See Item #40.

13892

BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. F02

Agency Budget and Control Board - Executive Director Office

Subject: Request for State Funded positions exceeding number authorized in 1980-81  
Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
086122	2822	0001	Systems Analyst II					\$23,433		

Note: Position to be transferred

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

C. Case

State Budget Analyst

1/14/81

Date

Preston T. Cantrell

Budget Development Director

1-14-81

Date

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

Grants & Review Analyst

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13893

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

M E M O R A N D U M

Date: January 14, 1981

TO: Mr. Edgar A. Vaughn, Jr., State Auditor  
FROM: William T. Putnam, Executive Director  
RE: Transfer of Position

As you are aware, the Comptroller General has requested that we transfer Sandra Lowe, Systems Analyst II, to that office. Her present salary is \$23,433.

We have no objection to this transfer and will appreciate your presenting it to the Joint Legislative Committee on Personal Service and Financing at its next meeting.

WTP:sc

13894



REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date 1/14/81

Item Number 41

**EXHIBIT**

Agency: Governor's Office - Office Of Executive Policy & Programs

JAN 27 1981

NO. 14

Subject: Request to re-establish a position.

STATE BUDGET & CONTROL BOARD

The Governor's Office - Office of Executive Policy & Programs request authorization to re-establish a position deleted 1/7/81 due to nine (9) months vacancy.

Board Action Requested:

Request to re-establish a position.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Disapproval*

Attachments:

1. Letter from Agency.
2. Budget Development Form.
3. Position Summary Report.

**13895**

POSITION SUMMARY

AGENCY D17 Governor's Office - OEPP

DATE COMPILED 1/14/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	146	189	-0-	335
NOT ESTABLISHED	6	(-4)	0	2
ESTABLISHED	140	193	-0-	333
FILLED	133	179	0	312
VACANT	7	14	0	21

COMMENTS:

1. See Item #41.

13896

Code No. D 17

Agency Office of Executive Policy and Programs

Subject: Request to reestablish positions abolished under Act 517 of 1980, Part I, Section 186 (3) (a), as having been vacant 9 months or longer.

Request is to establish 1 positions at Office of Executive Policy and Programs as follows:

<u>Date</u> <u>Abolished</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u> <u>State</u> <u>Federal</u> <u>Other</u>
1/7/81	Contract Svcs. Spec. III	31	5252	\$15,721	100%

REQUEST JUSTIFICATION:

This is a request to re-establish a position deleted due to having been vacant for nine months. This position is in final selection stage from Merit System register. Position was vacant limited time due to revision of position specification by State Personnel Merit System and acceptance of specification by CETA Division. Also, the working of the Merit System register required maximum time.

☒ Recommend Approval

H. Max Nesbett  
Agency Signature

\_\_\_\_\_  
Date

☐ Recommend Disapproval

Scott Barnes  
State Budget Analyst

1/13/81  
Date

Preston T. Cantrell  
Budget Section Director

1/13/81  
Date

**13897**



FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. D17

Agency Office of Executive Policy and Programs

Subject: Request for State Funded positions exceeding number authorized in 1980-81 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
092928	5252	0007	Contract Svcs Spec. III	\$15,721		100%			100%	

This is a request to re-establish a position deleted due to having been vacant for nine months. This position is in final selection stage from Merit System register. Position was vacant limited time due to revision of position specification by State Personnel Merit System and acceptance of specification by CETA Division. Also the working of the Merit System register required maximum time.

*H. Max Furbert*

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

*Sean Barnes*

State Budget Analyst

1-13-81

Date

*Robert T. Cantrell*

Budget Development Director

1-13-81

Date

GRANTS & REVIEW SECTION:

☒ Recommend Approval

☐ Recommend Disapproval

*Thomas A. Hutter*

Grants & Review Analyst

1-13-81

Date

*S. Alvi*

Grants & Review Director

1/13/81

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13898



# State of South Carolina

## Office of the Governor

RICHARD W. RILEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

Mr. Ed A. Vaughn  
State Auditor  
State Auditor's Office  
207 Wade Hampton Office Bldg.  
P.O. Box 11333  
Columbia, South Carolina 29211

Dear Mr. <sup>Ed</sup>Vaughn:

This is a request to re-establish a position deleted due to having been vacant for nine months. This position is in final selection stage from Merit System register. The position was vacant limited time due to revision of position specification by State Personnel Merit System and acceptance of specification by CETA Division. Also the working of the Merit System register required maximum time. Please see attachment.

Sincerely,

*H. Max*  
H. Max Nesbitt  
Director of Administrative Services

13899

REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

Date 1/16/81

Item Number 43

**EXHIBIT**

Agency: Probation, Parole & Pardon Board

JAN 27 1981

NO. 14

Subject: Request to establish positions above the number authorized ~~STATE~~ BUDGET & CONTROL BOARD

The Probation, Parole, & Pardon Board request authorization to establish Forty Two (42) 100% State Funded Positions above the number authorized. This includes Thirty Two (32) Probation & Parole Officer I, Grade 23's, annual salary \$11,487 and Ten (10) Secretary I, Grade 14's, annual salary \$8,071. This request address the 1980-81 Appropriation Act, Part II, Section 6. See attached information.

Board Action Requested:

Authorize the establishment of Forty Two (42) 100% State Funded Positions above the number authorized.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend approval subject to the appropriation of funds by the General Assembly for these positions.*

Attachments:

1. Probation, Parole and Pardon Board Letter
2. Budget Development Form
3. Positions Summary Report.

13900



POSITION SUMMARY

AGENCY No8 Probation, Parole, & Pardon Board

DATE COMPILED 1/16/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	296	7	-0-	303
NOT ESTABLISHED	-0-	7	-0-	7
ESTABLISHED	296	-0-	-0-	296
FILLED	289	-0-	-0-	289
VACANT	7	-0-	-0-	7

COMMENTS:

1. Item #43
2. Request Previously Submitted, See Item #6

13901

Code No. N 08

Agency Probation, Parole, & Pardon Board

Subject:

Request is to establish 42 positions at state-wide  
as follows:

Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
				State	Federal	Other
Probation & Parole Officer I (32)	23	5414	\$11,487 @	100%		
Secretary I (10)	14	0501	\$ 8,071 @	100%		

See attached letter from Mr. Wallace. Also, refer to part II, section 6, of the 1980-81 Appropriation Act.

NOTE: REQUESTED EFFECTIVE DATE -- 2/27/81

Request Justification:

Action requested speaks to legislative intent, re: above Act. Note that the agency estimates that it can "cash-flow" this action for approximately two (2) pay periods. Full action will depend on a supplemental appropriation which is to be developed by the Ways & Means Committee. This action will cost approximately \$218,321 for the balance of 80-81 and approximately \$633,974 for 81-82 which has to date been recommended by the Ways & Means Committee for 81-82. The revenue estimates from Probation, Parole & Pardon Board for both years appear to be adequate to offset the General Fund costs.

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

George N. Dorn, Jr.  
State Budget Analyst

1/16/81  
Date

Preston T. Cantrell  
Budget Development Director

1-16-81  
1/16/81  
Date

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

\_\_\_\_\_  
Grants & Review Analyst

\_\_\_\_\_  
Date

\_\_\_\_\_  
Grants & Review Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
State Auditor

\_\_\_\_\_  
Date

BUDGET AND CONTROL BOARD ACTION:

**139C2**

## South Carolina Probation, Parole and Pardon Board

HON. WALTER D. TYLER, JR.  
CHAIRMAN  
DISTRICT SIX

HON. JOHN E. HUSS, D.D.  
DISTRICT ONE

HON. RHETT JACKSON  
DISTRICT TWO

HON. H.L. LACKEY  
MEMBER-AT-LARGE



GRADY A. WALLACE  
DIRECTOR

January 15, 1981

HON. CHARLES R. SANDERS, JR.  
VICE CHAIRMAN  
DISTRICT THREE

HON. MARION BEASLEY  
DISTRICT FOUR

HON. LEE R. CATHCART  
DISTRICT FIVE

ADDRESS: 2221 DEVINE ST.  
6TH FLOOR  
P.O. BOX 50666  
COLUMBIA, S.C. 29250

Mr. George Dorn  
Budget Analyst  
Wade Hampton Office Building  
Columbia, South Carolina

Re: Proviso of Appropriations Bill

Dear Mr. Dorn:

As a part of the Appropriations Bill passed last year our agency was mandated to collect \$10.00 per month from probationers and parolees placed under supervision beginning thirty days after Governor Riley signed this into law.

On July 14, 1980 we began collecting these monies. To date, we have collected a total of \$326,202.00.

It was further stated that "It is the intent of the General Assembly that the fees collected be used, in future years, for the hiring of additional parole and probation staff. The Budget and Control Board is directed to take this intent into consideration in developing budget recommendations for FY 1981-82."

The Ways and Means Committee has taken this directive into consideration and has provided for additional personnel in the FY 1981-82 Appropriations Bill.

Funds are now being sought to hire thirty-two (32) Agents and ten (10) Secretaries sometime during a period between February 27 and March 30 (hopefully by February 27) and we are respectfully requesting forty-two (42) additional headcount for our authorized state positions. If action of the Ways and Means holds fast then these positions will carry forward into FY '82.

If we can be of further service, please feel free to call upon us.

Very truly yours,

*Grady A. Wallace*  
Grady A. Wallace  
Director

GAW:esh

139C3



COST PROPOSAL - FOR PERIOD FEBRUARY 27th THRU JUNE 30, 1981  
(Based on 1980-81 Budget)

PERSONAL SERVICE (2/27/81 - 6/18/81)

32 - Parole Agents I - Grade 23 -	\$ 113,105.00	
10 - Secretaries - Grade 14 -	24,834.00	
	<hr/>	
	137,939.00	
Plus Fringe @ \$3,559.00 for 8 pay periods (See attached)	28,472.00	
Total Personal Service 2/27/81 - 6/18/81		\$ 166,411.00

OTHER OPERATING EXPENSES

Travel - 32 Agents @ \$100.00 per month - 4 months	\$ 12,800.00	
Supplies - 42 @ \$100.00 per year for 4 months	1,400.00	
Telephones - 42 @ \$150.00 per year for 4 months	2,100.00	
Postage & Printing @ \$6,000.00 - 4 months	2,000.00	
	<hr/>	
Total Other Operating Expenses		\$ 18,300.00

EQUIPMENT - OFFICE - INITIAL PURCHASES

Legal Files - 32 @ \$135.00	\$ 4,320.00	
Typewriters - 10 @ \$750.00	7,500.00	
Calculators - 10 @ \$125.00	1,250.00	
Executive Desks - 32 @ \$350.00	11,200.00	
Executive Chairs - 32 @ \$120.00	3,840.00	
Secretarial Desks - 10 @ \$450.00	4,500.00	
Secretarial Chairs - 10 @ \$100.00	1,000.00	
	<hr/>	
Total Equipment		\$ 33,610.00

TOTAL ESTIMATED COST	\$ 218,321.00
(Period 2/27/81 - 6/30/81)	<hr/>

↑  
APPROXIMATE 80/81 COSTS FOR REQUESTED ACTION

13904

IN AUTHORIZED POSITION  
COUNT

Date 1-20-81

Item Number <sup>44</sup>  
**EXHIBIT**

Agency: Continuing Committee on Retirement System

JAN 27 1981

NO. 14

STATE BUDGET & CONTROL BOARD

Subject: Request to establish position above the number authorized.

The Continuing Committee request authorization to establish one (1) 100% State Funded Position above the number authorized. No additional fund requested.

Board Action Requested:

The establishment of one (1) 100% State Funded Position above the number authorized.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment: *Recommend Approval*

Attachments:

- Letter from Senator Rembert Dennis
- 2. Budget Development Form
- 3. Position Summary Report

**13905**

POSITION SUMMARY

AGENCY W57 Continuing Committee on Retirement System      DATE COMPILED 1/20/81

	GENERAL FUND	FEDERAL FUND	OTHER FUND	TOTAL FUNDS
AUTHORIZED	1	-	-	1
NOT ESTABLISHED	-	-	-	-
ESTABLISHED	1	-	-	1
FILLED	1	-	-	1
VACANT	-	-	-	-

COMMENTS:

1. Item #44.

13906



BUDGET AND CONTROL BOARD  
FINANCE DIVISION  
BUDGET DEVELOPMENT

Code No. W57

Agency Con. Committee on Retirement System

Subject: Request for State Funded positions exceeding number authorized in 1980-81  
Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
	0106	002	Page (PTT)	\$3,469						

(See Attached Letter)

BUDGET DEVELOPMENT:

☒ Recommend Approval

☐ Recommend Disapproval

*Frances Barr*  
Frances Barr

State Budget Analyst

1-20-81

Date

*Col. Barr*  
Budget Development Director

1/20/81  
Date

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

Grants & Review Analyst

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

13907

REMBERT C. DENNIS  
SENATOR, BERKELEY COUNTY

HOME ADDRESS:  
LEWISFIELD PLANTATION  
MONCK'S CORNER, S. C. 29461



January 16, 1981

COMMITTEES:  
BANKING AND INSURANCE  
FINANCE, Chairman  
FISH, GAME AND FORESTRY  
GENERAL COMMITTEE  
INTERSTATE COOPERATION  
RULES

Mr. Edgar Vaughn  
Budget & Control Board  
P. O. Box 12444  
Columbia, South Carolina 29211

Re: Agency No. W57 - Con. Committee  
on Retirement System.

Dear Ed:

I would like to request that the number of pages  
under Account Number 11814636 be increased from  
one to two. There will be no change in funds  
required.

With kindest personal regards,

Sincerely,

Rembert C. Dennis

RCD/nb

CC: Frances Barr ✓

RECEIVED  
JAN 20 1981  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION

13908

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

JAN 27 1981

NO. 15

ITEM NUMBER

10

---

## STATE BUDGET & CONTROL BOARD

---

Agency: Adjutant General's Office

---

Subject: Requested Release of 1980 Bond Funds

Adjutant General Marchant or his representative will be present to request that the Budget and Control Board release \$93,700 authorized in Act 518 of 1980 as a supplement to the construction and equipping of the Newberry Armory.

Under Section 3 of Act 518 of 1980, the Board is obliged to consult with the Joint Bond Review Committee on matters of this sort.

---

Board Action Requested:

Consider

---

Staff Comment:

---

Attachments:

Adjutant General's Office letter

**13909**





# EXHIBIT

JAN 27 1981

NO. 15

## Military Department

STATE BUDGET & CONTROL BOARD

T. ESTON MARCHANT  
MAJOR GENERAL  
THE ADJUTANT GENERAL

STATE OF SOUTH CAROLINA  
OFFICE OF THE ADJUTANT GENERAL  
NATIONAL GUARD ARMORY, 1225 BLUFF ROAD  
COLUMBIA 29201

AGSC

23 January 1981

Honorable William T. Putnam  
Executive Director  
Budget & Control Board of South Carolina  
212 Wade Hampton Office Building  
Columbia, SC 29211

Dear Bill:

I wish to bring to your attention a matter which is of great concern to this agency.

Act 518 of 1980 provides supplemental funds in the amount of \$93,700 for the construction of the South Carolina Army National Guard Armory at Newberry, South Carolina. The Newberry Armory is presently under construction by the Cannon Construction Company of Newberry. Federal matching funds for this project have been approved and appropriated.

I am requesting that the South Carolina Budget and Control Board unfreeze the funds to allow continued construction of the Newberry Armory. In the event the funds are not made available immediately, this agency will be in default with the Cannon Construction Company and subject to a delay penalty and possible litigation as well as a delay in construction.

Your immediate attention and support to this request will be greatly appreciated.

Sincerely,

T. ESTON MARCHANT  
Major General, SCARNG  
The Adjutant General

CF: Honorable Richard W. Riley, Governor  
Honorable Grady L. Patterson, Jr., State Treasurer  
Honorable Earle E. Morris, Jr., Comptroller General  
Honorable Tom G. Mangum, Chairman, Ways & Means Committee  
Honorable Rembert C. Dennis, Chairman, Senate Finance Committee

13910

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 16

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

11

STATE BUDGET & CONTROL BOARD

---

Agency: Adjutant General's Office

---

Subject: Request for Temporary Employees and Civil Contingent Fund Allocation for Radiological Emergency Response Planning and Coordination

Adjutant General Marchant advises that funding in the amount of \$12,218.32 is requested in addition to the granting of authority to employ two persons on a temporary basis for a four-month period to accomplish certain requirements relating to the State Radiological Emergency Response Planning and Coordination. The financial position of the Civil Contingent Fund as of January 23, 1981 is shown in the attachments. Board members are reminded that an item to be considered in executive session anticipates the use of not more than \$25,000 of the funds available. In addition, the following agenda item relates to a third request for a Civil Contingent Fund allocation. This third request is for \$8,500 which would help finance the cost of producing a film on the South Carolina legislative and executive processes. With regard to this third request, staff has been advised that this \$8,500 can be a last payment on the proposed project and that it can be paid after July 1, 1981. Thus, if the Board is inclined to do so, this third request could be approved for payment from the 1980-81 Civil Contingent Fund if possible or provision could be made to act on the matter again and pay it from the 1981-82 appropriation to the Civil Contingent Fund.

A fourth possible request for Civil Contingent Fund monies is that relating to the float included in the inaugural parade for President Reagan.

The \$15,000 shown in the report on the financial position of the Civil Contingent Fund for anticipated committee expenses is the minimum anticipated at this time. It is possible that, as the year moves along, this full amount will not be required but that is not a certainty at this point.

The staff suggestion is that, because it represents a prior commitment, the item in executive session be given first priority and that the remaining balance be allocated to the Adjutant General's Office in response to this request.

---

Board Action Requested:

Consider

---

Attachments:

Statement of financial position of Civil Contingent Fund as of January 23, 1981 and Marchant January 22 letter to Putnam plus attachment

13911

STATE BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR  
CIVIL CONTINGENT FUND - FINANCIAL POSITION  
AS OF JANUARY 23, 1981

EXHIBIT  
JAN 27 1981 NO. 16  
STATE BUDGET & CONTROL BOARD

---

Revenues (Including Appropriations)	240,016.94
Less:	
Allocated to Agencies	- 160,912.00
Advanced to Agencies	-0-
Committee Expenses (Including B & C Bd)	- 9,151.57
Miscellaneous Expenses	- 250.00
Encumbrances (By Item)	
House of Representatives	- 7,500.00
Public Service Merit Selection Panel	- 4,320.46
Governor's Task Force on Arson	- 5,000.00
B & C Bd. - Ofc. of Executive Director	- 1,500.00
For Anticipated Committee Expenses	- 15,000.00
Unencumbered Fund Balance	<u>36,382.91</u>

sc  
1/23/81

13912



JAN 22 1981



**Military Department**

/chm

T. ESTON MARCHANT  
MAJOR GENERAL  
THE ADJUTANT GENERAL

STATE OF SOUTH CAROLINA  
OFFICE OF THE ADJUTANT GENERAL  
NATIONAL GUARD ARMORY, 1225 BLUFF ROAD  
COLUMBIA 29201

AGSC

22 January 1981

**EXHIBIT**

Honorable William T. Putnam  
Executive Director  
Budget and Control Board of South Carolina  
212 Wade Hampton Office Building  
Columbia, South Carolina 29211

JAN 27 1981 NO. 16

STATE BUDGET & CONTROL BOARD

Dear Bill:

The Emergency Preparedness Division of this Agency has disclosed a serious problem with respect to the State Radiological Emergency Response planning and coordination of the division.

Funding in the amount of \$12,218.32 is requested in addition to the authority to employ two people on a temporary basis for a four month period to alleviate the serious problem which now exists. A complete overview of the problem, as well as funding and personnel requirements is attached as an inclosure.

In view of the seriousness of this problem, and the limited time frame which we are facing, I respectfully request that this request be placed on the agenda to be presented to the Budget and Control Board during the next meeting.

Your support in this matter is greatly appreciated.

Sincerely,

T. ESTON MARCHANT  
Major General, SCARNG  
The Adjutant General

**13913**

21 Jan 81

1. A detailed study of the workload concerning Fixed Nuclear Facility Radiological Emergency Response planning for the H. B. Robinson (CP&L) and the V. C. Summer FNF (SCE&G) reveals a serious shortfall in resources to accomplish the workload within currently specified time frames.
2. The requirement for the V. C. Summer FNF (SCE&G) to be fully exercised in accordance with Nuclear Regulation 0654 at an earlier date (1 May 1981) than previously anticipated places an inordinate burden on the present State Radiological Emergency Response planning and coordination capability as well as not allowing for funds required for administrative and logistical support of the effort.
3. At stake is the federal approval of the South Carolina spectrum of Radiological Emergency Response Plans (RERP), the H. B. Robinson Site Specific RERP, and the County RER Plans for Darlington, Chesterfield, and Lee counties. Non-approval of such plans will result in additional plans submissions, training and exercising, and could ultimately result in loss of commercial nuclear power plant operating licenses for the H. B. Robinson and the Oconee Plant (Duke) being suspended for lack of approved State off-site Radiological Emergency Response Plans. The federal requirement is that the State have an approved RER plan by 1 April 1981.
4. As a result of the study, a minimum additional requirement, as follows, is an imperative necessity in order to assure a reasonable possibility of success in complying with current federal nuclear regulations and retaining the use of commercial nuclear power in South Carolina.

## EXHIBIT

JAN 27 1981 NO. 16

STATE BUDGET & CONTROL BOARD

13914

	<u>Approximate Figure</u>
1 Full-time FNF Planner (for a 4-month period @ \$15,000 annually)	\$ 5,000.00
1 Full-time Secretary with typewriter (for a 4-month period @ \$10,000 annually)	3,333.32
Travel and per diem expenses for FNF planner	520.00
Printing and reproduction of Plans & Test, telephone lines installation, and other minor essentials	1,215.00

In addition there is another expense involved in conducting this exercise in the way of per diem for the volunteer controllers. Twenty-five (25) controllers, consisting of county civil defense directors plus employees from other state agencies, other than EPD, have volunteered their services which will be required for a 3-day period. Food and lodging for these individuals will be approximately \$86 per person for the 3-day period.

2,150.00

\$ 12,218.32

In view of the above, we respectfully request funding necessary and authority to employ the two people on a temporary basis for a period of four (4) months.

EXHIBIT

JAN 27 1981 NO. 16

STATE BUDGET & CONTROL BOARD

13915



# EXHIBIT

QUARTERLY FORECAST OF INTEREST RATES JAN 27 1981 NO. 16-A

STATE BUDGET & CONTROL BOARD

YEAR: QUARTERS	PRIME RATE		YIELD ON DOMESTIC MUNICIPAL BONDS		CONSTRUCTION COST INDEX	
	DRI*	CHASE**	DRI	CHASE	DRI <sup>1</sup>	CHASE <sup>2</sup>
1979:4	15.08%	15.08%	7.22%	N/A	199.8	199.0 207.4
1980:1	16.40	16.40	8.23	N/A	205.3	204.2 214.3
1980:2	16.32	16.32	7.87	N/A	211.4	210.2 222.4
1980:3	11.61	11.61	8.58	N/A	218.0 219.0	218.1 229.5
1980:4	16.36	12.93 16.59	8.62 9.70	N/A 223.3	222.5	221.0 232.6
1981:1	18.45	12.05 12.02 18.11	8.64 10.0	N/A 229.4	230.6	228.6 239.0
1981:2	14.15	12.17 11.97 14.8	8.80 9.87	N/A 235.8	238.2	236.3 245.3
1981:3	13.74	12.58 12.08 15.42	8.17 9.22	N/A 242.3	243.3	239.0 250.3
1981:4	14.52	13.06 13.37 15.72	9.15 9.10	N/A 249.3	245.0	245.0 255.2
1982:1	15.33	13.43 12.40 14.99	9.38 9.36	N/A 257.0	263.8	252.5 262.7
1982:2	15.63	13.77 12.61 14.20	9.77 9.62	N/A 264.7	272.7	259.9 269.5
1982:3	16.05	14.12 12.77 13.72	9.77 9.9	N/A 272.7	282.0	266.3 274.7
1982:4	16.32	14.46 12.96 13.86	10.05 10.2	N/A 281.2	291.5	272.8 280.3
1983:1	15.92	14.87 12.96	10.14 10.05	N/A 289.7	301.5	279.5
1983:2	15.67	14.48 12.79	9.55 9.73	N/A 291.5	311.5	286.3
1983:3	15.38	14.34 12.86	9.79 9.58	N/A 301.8	321.6	293.1
1983:4	15.12	14.00 12.85	9.47 9.60	N/A 311.9	331.3	299.9

\*SOURCE: Data Resources Inc., <sup>January</sup> ~~October~~, 1980. For additional information contact Allen Sinai, 1-617-482-2022.

\*\*SOURCE: Chase Econometrics, <sup>December</sup> ~~October~~, 1980. For additional information contact Kevin Hurley, 1-212-552-4748.

<sup>1</sup>Implicit Price Deflator, Private Nonresidential Construction 1972=100.0

<sup>2</sup>~~State and Local Government~~, Implicit Price Deflator, Structures 1972=100.0

GMP



UNIVERSITY OF SOUTH CAROLINA  
COLUMBIA, S. C. 29208

EXHIBIT

JAN 27 1981

NO. 16-A

COLLEGE OF BUSINESS ADMINISTRATION

Chair of Banking

STATE BUDGET & CONTROL BOARD

December 5, 1980



The Honorable Earle Morris  
Wade Hampton Office Building  
P. O. Box 11228  
Columbia, South Carolina 29211

Dear Governor Morris:

I understand that you may be interested in seeing a few numbers relating to the possible additional costs which may be involved in the costs of servicing public borrowing in a period of rapidly rising prices. The illustrations used herein refer to the required annual payments for borrowing on a serial bond basis under several sets of assumptions. The cases shown are on the assumption that serial bonds are issued for either 15 or 20 years, and that the delay in borrowing will be either 1, 2, or 3 years. These are considered under three assumptions of inflation continuing at either 8 percent, 10 percent, or 14 percent per annum.

Exhibit 1 shows, for example, that \$1 million borrowed at 7 1/2 percent requires an annual payment of \$113,287 if borrowed for 15 years, or \$98,092 if borrowed as a 20-year issue. If the serial bond rate is raised to 9 1/4 percent, the annual payments are either \$125,896 or \$111,505. Under Section A, which has inflation at only 8 percent per year, a two-year delay in raising funds for a project will require payments of either \$146,845 or \$130,059 if the coupon rate is 9 1/4 percent and there is a 20-year serial bond issue.

If one takes a 14 percent rate of rising costs for a particular project, and if we look at 20-year serial bonds at 9 1/4 percent, the annual payments jump to either \$163,614 or \$144,912 with a two-year delay, and \$186,520 or \$165,199 with a three-year delay. Other comparisons may be made for Exhibit 1.

Exhibit 2 shows how much the market rates would have to decline if annual payments are to be the same, and if a particular project is to be financed. For example, if we assume a 9 1/4 percent, 20-year

13917

# EXHIBIT

JAN 27 1981

NO. 16-A

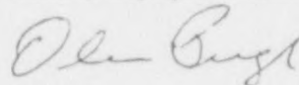
The Honorable Earle Morris  
Page Two  
December 5, 1980

STATE BUDGET & CONTROL BOARD

serial bond issue under conditions of 10 percent inflation and with a two-year delay in borrowing for a fixed project, the market rate would have to fall to 6.69 percent to maintain the annual payment at \$111,505; if there were a three-year delay, the rate would have to be 5.51 percent. Many other comparisons may be made from these numbers of course.

It was good to see you again last week. I hope these data will be of some value to you. I obtained the services of Professor Robert Porter in compiling the numbers and we hope that you will find them satisfactory. If not, please let us know how we may help you.

Sincerely yours,



Olin S. Pugh  
Professor of Banking  
and Finance

OSP/ad

Attachments

13918



# EXHIBIT

JAN 27 1981

NO. 16-A

Exhibit 1

STATE BUDGET & CONTROL BOARD

Equal Annual Payments to Repay Amount  
Borrowed in Serial Bond Issues

Amount Borrowed	Coupon Rate = 7 1/2 %		Coupon Rate = 9 1/4 %	
	15 yr. Issues	20 yr. Issues	15 yr. Issues	20 yr. Issues
<u>Years Delay</u>				
0 \$1,000,000	\$113,287.24	\$ 98,092.19	\$125,895.56	\$111,504.87
A. <u>Inflation at 8%/year</u>				
1 \$1,080,000	122,350.22	105,939.57	135,967.20	120,425.26
2 1,166,400	132,138.23	114,414.73	146,844.58	130,059.28
3 1,259,712	142,709.29	123,567.91	158,592.15	140,464.02
B. <u>Inflation at 10%/year</u>				
1 \$1,100,000	124,615.96	107,901.41	138,485.12	122,655.36
2 1,210,000	137,077.56	118,691.55	152,333.63	134,920.89
3 1,331,000	150,785.31	130,560.71	167,566.99	148,412.98
C. <u>Inflation at 14%/year</u>				
1 \$1,140,000	129,147.45	111,825.10	143,520.94	127,115.55
2 1,299,600	147,228.09	127,480.61	163,613.87	144,911.73
3 1,481,544	167,840.03	145,327.90	186,519.81	165,199.37

13919

# EXHIBIT

JAN 27 1981 NO. 16-A

STATE BUDGET & CONTROL BOARD

## Exhibit 2

		7 1/2% Bond		9 1/4% Bond	
Bond Maturity		15 yrs.	20 yrs.	15 yrs.	20 yrs.
Annual Payment		\$113,287.24	\$98,092.19	\$125,895.56	\$111,504.87
Market Yield to Repay \$1,000,000		7.50%	7.50%	9.25%	9.25%
Years Delay					
Amount to Be Borrowed					
A. Price Change of 8 Percent					
1	\$1,080,000	6.29	6.51	7.96	8.18
2	1,166,400	5.12	5.56	6.73	7.16
3	1,259,712	4.00	4.65	5.55	6.19
B. Price Change of 10%/year					
1	1,100,000	6.00	6.28	7.66	7.94
2	1,210,000	4.58	5.12	6.16	6.69
3	1,331,000	3.22	4.02	4.73	5.51
C. Price Change of 14%/year					
1	1,140,000	5.46	5.84	7.09	7.46
2	1,299,600	3.56	4.29	5.08	5.80
3	1,481,544	1.77	2.84	3.20	4.26

13920

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 17

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER 12

STATE BUDGET & CONTROL BOARD

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Agency: Executive Director's Office

---

Subject: Civil Contingent Fund Allocation Request

A request for \$8,500 from the Civil Contingent Fund to provide matching funds for a film on the South Carolina legislative and executive process has been received.

As noted in the preceding item, staff has been advised that these funds can be the last payment on the project and that payment may be made after July 1.

---

Board Action Requested:

Consider

---

Staff Comment:

---

Attachments:

13921



SOUTH CAROLINA  
STATE BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS  
POST OFFICE BOX 11477      CAPITOL STATION  
TELEPHONE 803 758-3652  
COLUMBIA, SOUTH CAROLINA 29211



RECEIVED

JAN 26 1981  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

January 23, 1981

EXHIBIT

JAN 27 1981      NO. 17

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
P. O. Box 12444  
Columbia, South Carolina 29211

STATE BUDGET & CONTROL BOARD

Dear Mr. Putnam:

A mid-year review of the budget of the State Board of Examiners for Nursing Home Administrators reveals that a deficit of \$4,500 will develop by the end of FY 81.

This agency is experiencing an unusual amount of activity resulting from amendments enacted April 28, 1980 (Act 390) which mandates continuing education and broader authority in investigation of complaints.

These amendments and others during the past ten years have caused the Board's regulations to be inconsistent with the existing law, therefore, a complete revision was necessary.

Revising the regulations, implementing a continuing education program and preparing complaint investigation procedures are requiring more than the usual number of Board meetings. These changes have also increased all other costs: telephone, supplies, postage, printing and photocopying, in addition to per diem and travel for the Board members.

FY 80 also had unusual activity that resulted from a Sunset audit of the agency and appropriated funds for that year were insufficient to cover the cost of operation. A loan from the Civil Contingency Fund helped although the amount loaned was considerably less than the amount requested. A supplemental appropriation was requested and denied, therefore, it became necessary to carry forward unpaid bills which totaled \$1,225 to be paid in FY 81. This is causing more than one fourth of the FY 81 deficit.

13922

Putnam  
January 23, 1981  
Page 2

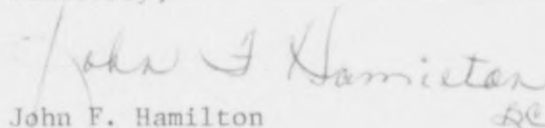
The need for a loan from the Civil Contingency Fund for \$4,500 is extreme and immediate. Without additional funds the Board will have to close its office before the end of the fiscal year, since the funds to carry out its authority will be exhausted. (At the time the Budget Request for FY 81 was prepared and submitted the Board was unaware that its authority and activities would escalate to the point that they have.)

The Board is acting on the advice of the Budget Analyst, Mr. Scott Barnes, who has recommended that application for this loan and a supplemental appropriation be made.

An increase in fees this year will generate approximately \$30,000 in revenue, which will be at least \$12,000 more than the FY 81 appropriation for this agency.

Your consideration and assistance will be appreciated.

Sincerely,

  
John F. Hamilton  
Secretary-Treasurer  
S. C. STATE BOARD OF EXAMINERS  
FOR NURSING HOME ADMINISTRATORS

JFH/bc

13923

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 18

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER 13

STATE BUDGET & CONTROL BOARD

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Agency: York Technical College

---

Subject: A&E Selection Approval Request

Please refer to attachments for details on selection.

The Board's attention is called to an unusual situation relating to this project involving local funding. Local funds in the amount of \$203,500 have been proposed as the source to finance the planning and design phase of this project. Under provisions of Act 518 of 1980, this use of these funds requires that that question be reviewed by the Joint Bond Review Committee and the issue is now before that group.

Associate Executive Director Shealy of the State Board for Technical and Comprehensive Education points out that funds for this project are being requested in the 1981 Capital Improvement Bond request of his agency.

The Board may want to consider postponing any action on the approval of the A&E selection pending the results of the Joint Bond Review Committee's review of the local funding of the planning and design phase of the project.

---

Board Action Requested:

Consider

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Staff Comment:

---

Attachments:

State Engineer's form plus attachments

13924



State Budget and Control Board  
Finance Division - State Engineer  
A & E SELECTION APPROVAL REQUEST  
(See instructions on back of this form.)

1/23/81

1. Agency/Institution: York Technical College

2. Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

3. Project Name: Business/Medical Building **EXHIBIT**

4. Project Number and Description: \_\_\_\_\_ JAN 27 1981 NO. 18

STATE BUDGET & CONTROL BOARD

5. Estimated Cost: (a) A&E Fees: 5.5% of construction costs

(b) Construction: \_\_\_\_\_

(c) Total Project: \_\_\_\_\_

6. Source of Funds for Project: Local funds for planning and design only  
are available in the amount of \$203,500. A request to use these  
funds for this purpose is now pending before the Joint Bond Review Committee.

A/E FIRMS SELECTED:

Order of Preference	Firm		Reported State Work in Two Years Prior to <u>6/25/80</u> (Date this project first advertised)		
	Name	Location	A/E Contracts #	Fee Amount	Construction Costs
1	GMK, Inc.	Columbia	4 1	\$75,000	\$24,400,000
2	Clark + McCall	Hartsville	2	Not reported	Not reported
3	Enwright Associates, Inc	Greenville	2	(1) \$26,000	(1) \$1,500,000

\* \* \* \* \*

CERTIFICATION BY STATE ENGINEER:

I have reviewed the documents submitted in support of this request for approval of an A&E selection and have determined that the selection procedure required by law and by Budget and Control Board policy has been followed.

State Engineer

Date

13925



JAN 14 1981

*File*

# EXHIBIT

STATE BOARD FOR TECHNICAL  
AND  
COMPREHENSIVE EDUCATION

JAN 27 1981 NO. 18

STATE BUDGET & CONTROL BOARD

G. WILLIAM DUDLEY, JR.  
EXECUTIVE DIRECTOR

1429 SENATE STREET  
COLUMBIA, S. C. 29201

October 17, 1980

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Box 12444  
Columbia, South Carolina 29211

Dear Bill:

Please find attached a request for the appointment of an architect for York Technical College. The funds for this project are being requested in the 1981 Capital Improvement Bond request of the State Board for Technical and Comprehensive Education. York TEC wishes to proceed with the appointment of an architect so that plans may be completed and construction started immediately after approval of the State Capital Improvement Bond Act. Local funds will be used to pay for the planning and design phase of the project.

York Technical College followed the procedure outlined by the Budget and Control Board in the selection of the architectural firms, and the necessary enclosures are attached for your review.

I trust that you will find this request in order and will take whatever action is necessary for the appointment of GMK of Columbia as architect for the Business/Medical Building. If you should have any questions concerning this request, please do not hesitate to call on me.

With kind personal regards,

Sincerely,

Wyman D. Shealy  
Associate Executive Director

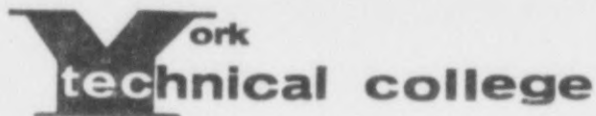
WDS:bhc

Enclosures

CC: John A. McPherson, Jr.  
Baxter M. Hood  
Donald R. Peterson

13926

OCT 17 1980



U.S. 21 BY-PASS \* ROCK HILL, SOUTH CAROLINA 29730 \* PHONE 803-324-3130

BAXTER M. HOOD  
President

October 16, 1980

EXHIBIT

JAN 27 1981 NO. 18

STATE BUDGET & CONTROL BOARD

Mr. Wyman Shealy  
State Board for Technical and  
Comprehensive Education  
1429 Senate Street  
Columbia, SC 29201

Dear Wyman:

My Commission has just concluded its process of selecting an architectural firm for design of our Business/Medical building, and I submit their recommendation in the following order: first, GMK, Columbia; second, Clark & McCall, Hartsville and Kingstree; and third, Enwright, Greenville.

The Commission followed the instructions laid out in the Budget and Control Board's memorandum concerning employment of an A&E firm. We advertised our need in state and local newspapers (attachment 1) and received twenty-three resumes from interested companies. The planning subcommittee of the Commission screened the twenty-three resumes and selected six for further screening by the Commission. The full Commission met with the six firms on August 12 and selected three for a thorough check of references and experience. On September 23 the Commission met again and established their recommended priority based on reference checks. We feel that our process was thorough and conforms to the guidelines and desire of the Budget and Control Board. I am also enclosing statements from all three companies about the amount of state work they have done in the last two years (attachment 2) and an AIA contract with GMK.

Thank you for your assistance and advice during this selection process.

With kindest regards,

Sincerely,

A handwritten signature in cursive script, appearing to read 'B. Hood'.

Baxter M. Hood  
President

sg  
Attachments

13927



## EXHIBIT

JAN 27 1981 NO. 18

STATE BUDGET &amp; CONTROL BOARD

York Technical College  
ATTN: John F. Connor~~ATTORNEY~~

## THE EVENING HERALD

ROCK HILL, S. C.

Cost of Advertisement, \$ 16.00

Cost of Affidavit, \$

Total \$ 16.00

STATE OF SOUTH CAROLINA,

County of York  
Gisle Stinson

I, bookkeeper

of The Evening Herald,

a newspaper published in York County, South Carolina,

being duly sworn, certify that the attached advertisement of  
Notice-York Technical College Commission  
will select an architectural firm to design  
& Supervise construction.was duly published in the aforesaid newspaper once a week  
for 2 consecutive weeks, beginning with the issue

dated June 25, 1980

(Signed) *Gisle Stinson*

bookkeeper of The Evening Herald

Sworn to and subscribed before me this 25th  
day of June 1980

Notary Public for South Carolina.

My commission expires November 2, 1980

York Technical College Commission, Rock Hill, S.C. will select an architectural firm to design and supervise construction of a 70,000 square foot Business Medical building. Firms interested in being considered should send resumes to Baxter M. Hood, President, York Technical College, Rock Hill, S.C. by July 25, 1980. Firms submitting resumes of qualifications shall include a list of all contracts, including construction cost, the firm has executed on state work in the past two (2) years.  
John F. Connor, Vice President — Business Affairs  
No. 457

13928

ARCHITECTURAL RESUMES  
REQUESTED

York Technical College Commission, Rock Hill, S.C. will select an architectural firm to design and supervise construction of a 70,000 square foot Business Medical building. Firms interested in being considered should send resumes to Baxter M. Hood, President, York Technical College, Rock Hill, S.C. by July 25, 1980. Firms submitting resumes of qualifications shall include a list of all contracts, including construction cost, the firm has executed on state work in the past two (2) years.

YORK TECH FINANCE JUN 27 1980 Attachment 1

COLUMBIA NEWSPAPERS, INC.

Columbia, South Carolina

Publishers of

**The State**

Mornings and Sunday

AND

**The Columbia Record**

Evenings except Sunday

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

Personally appeared before me Carl M. Regal, Retail Advertising Manager  
of THE STATE, and makes oath that the advertisement,

Architectural Resumes Requested - York Technical College

a clipping of which is attached hereto, was printed in THE STATE,  
a daily newspaper of general circulation published in the City  
of Columbia, State and County aforesaid, in the issues of

June 25, 26, 1980

Carl M. Regal

Subscribed and sworn to before me  
this 26th day of June 19 80.

Emma L. Ludlow Notary Public

13929



Geiger McElveen Kennedy

• Architects Engineers Planners

• 2821 Millwood Avenue, Columbia, S.C. 29205

• 803/254-2634

Attachment 2

September 30, 1980

Dr. Baxter M. Hood  
President  
York Technical College  
U.S. 21 By-Pass  
Rock Hill, SC 29730

Dear Dr. Hood:

Enclosed is a list of State Agencies that GMK, INC. has signed contracts with in the past two (2) years.

Please note that Winthrop College Gymnasium will be off this list as of November 9, 1980.

If you need any other additional information, please let me know.

Yours very truly,

GMK, INC.

H. Donald McElveen, P.E.

HDMcE:era

Encl.

13930





Geiger McElveen Kennedy • Architects Engineers Planners • 2821 Millwood Avenue, Columbia, S.C. 29205 • 803/254-2634

SIGNED CONTRACTS WITH STATE AGENCIES DONE BY GMK, INC. WITHIN  
THE LAST TWO YEARS

WINTHROP COLLEGE GYMNASIUM - ROCK HILL, SOUTH CAROLINA  
10.2 MILLION DOLLARS  
NOVEMBER 9, 1978

BUSINESS ADMINISTRATION ADDITION - UNIVERSITY OF SOUTH CAROLINA -  
COLUMBIA, SOUTH CAROLINA  
7.5 MILLION DOLLARS  
MARCH 28, 1979

BERKELEY CAMPUS - TRIDENT TECHNICAL COLLEGE - CHARLESTON, SOUTH  
CAROLINA  
4 MILLION DOLLARS  
AUGUST 29, 1979

PARKING GARAGE - COLLEGE OF CHARLESTON - CHARLESTON, SOUTH  
CAROLINA  
2.7 MILLION DOLLARS  
OCTOBER 7, 1979

CAROLINA ARTS CENTER - UNIVERSITY OF SOUTH CAROLINA - COLUMBIA,  
SOUTH CAROLINA  
MASTER PLANNING AND DESIGN FOR PUBLIC AREAS  
BUDGET NOT DETERMINED  
MAY 19, 1980  
AUTHORIZATION OF EXPENDITURE IN FEES OF \$ 75,000.00  
GMK, INC. IN ASSOCIATION WITH VENTURI, RAUCH, AND SCOTT-BROWN



# ENWRIGHT ASSOCIATES, INC.

October 15, 1980

Dr. Baxter M. Hood  
President  
York Technical College  
U.S. 21 By Pass  
Rock Hill, S. C. 29730

Dear Dr. Hood:

In response to your request, the amount of state work our firm has had during the past two years is the following:

<u>Agency</u>	<u>Project</u>	<u>Construction Cost</u>
S. C. State Ports Authority	Electrical Engi- neering-Wando Ports Terminal	\$1,500,000
University of S. C.	U.S.C. Fine Arts Center	Skematic Design \$26,000

We are not responding to your request for a copy of the AIA Form B141 for this project for reasons which I have discussed with you. We checked with Mr. McPherson, State Engineer, who indicated that only the number one firm selected has to file this form with the State Budget and Control Board. I hope you understand the time and expense that would be involved in filing this form everytime we're shortlisted on a project - an expense difficult for us to justify since this is not required for other than the first choice.

Enwright Associates, Inc. and I thank you for your interest in our company and the time and consideration you have given us. We are disappointed in not having been selected for this project, but we do look forward to future opportunities with your institution. Please call us anytime!

Best of luck to you with the new Business/Medical Building and all your endeavors.

Sincerely,

ENWRIGHT ASSOCIATES, INC.

John W. Fort  
Director of Marketing, Planning  
and Grants

JWF/cb

13932



# CLARK and McCALL, ARCHITECTS, INC.

W. REAVES McCALL, A.I.A.

MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS  
MEMBER OF THE GUILD FOR RELIGIOUS ARCHITECTURE

October 2, 1980

Dr. Baxter M. Hood, President  
York Technical College  
U. S. 21 By-Pass  
Rock Hill, South Carolina 29730

Dear Dr. Hood:

This is in reply to your letter dated September 25, 1980 in reference to selection of architectural firms and data requested in reference to the proposed Business/Medical Building.

Please be advised that the only state contracts that our firm has had in the last two years are as follows:

<u>Project</u>	<u>Status</u>
Central Energy Facility	Awaiting approval from State
Florence-Darlington Technical College	Engineers to Advertise for Bids
Auto-Diesel Shop Building	Awaiting approval of funding to
Florence-Darlington Technical College	complete Drawings & Specifications

As stated in recent correspondence to you these two projects are a joint venture (association) with Wm. S. Dowis, Jr., A.I.A., Florence, South Carolina.

Also, please be advised that the firm of Wm. S. Dowis, Jr., A.I.A., Florence, South Carolina has had one contract with a State agency in providing architectural services within the past two years. This project, Residence for the President, Francis Marion College, was postponed indefinitely following receipt of bids. The low bid was \$257,933.

13933



Dr. Baxter M. Hood

- 2 -

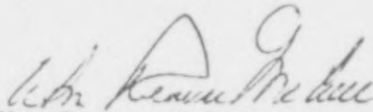
October 2, 1980

Enclosed is a copy of Standard Form of Agreement Between Owner and Architect, 1977 Edition, AIA Document B141 as requested.

Again, let me say that we appreciate the courtesies that have been extended to us. Jack Dowis and I would welcome the opportunity and would consider it a privilege and pleasure to serve as Architects for your proposed Business/Medical Building.

Yours very truly,

CLARK and McCALL, ARCHITECTS, INC.



Wm. Reaves McCall

WRM/ksn

Enclosure

CC: Mr. Wm. S. Dowis, Jr.

13934

THE AMERICAN INSTITUTE OF ARCHITECTS



EXHIBIT

JAN 27 1981

NO. 18

STATE BUDGET & CONTROL BOARD

AIA Document B141

**Standard Form of Agreement Between  
Owner and Architect**

**1977 EDITION**

*THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH  
AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION*

**AGREEMENT**

made as of the 1st day of OCTOBER in the year of Nineteen  
Hundred and EIGHTY

**BETWEEN** the Owner: YORK TECHNICAL COLLEGE  
ROCK HILL, SOUTH CAROLINA

and the Architect: GMK, INC.  
COLUMBIA, SOUTH CAROLINA

For the following Project:

*(Include detailed description of Project location and scope.)*

PLAN AND CONSTRUCT A BUSINESS/MEDICAL BUILDING

The Owner and the Architect agree as set forth below.

Copyright 1917, 1926, 1948, 1951, 1953, 1958, 1961, 1963, 1966, 1967, 1970, 1974, © 1977 by The American Institute of Architects, 1735 New York Avenue, N.W., Washington, D.C. 20006. Reproduction of the material herein or substantial quotation of its provisions without permission of the AIA violates the copyright laws of the United States and will be subject to legal prosecution.

AIA DOCUMENT B141 • OWNER-ARCHITECT AGREEMENT • THIRTEENTH EDITION • JULY 1977 • AIA® • © 1977  
THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006

B141-1977 1

13935

4/26/77

## TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT

### ARTICLE 1

#### ARCHITECT'S SERVICES AND RESPONSIBILITIES

##### BASIC SERVICES

The Architect's Basic Services consist of the five phases described in Paragraphs 1.1 through 1.5 and include normal structural, mechanical and electrical engineering services and any other services included in Article 15 as part of Basic Services.

##### 1.1 SCHEMATIC DESIGN PHASE

1.1.1 The Architect shall review the program furnished by the Owner to ascertain the requirements of the Project and shall review the understanding of such requirements with the Owner.

1.1.2 The Architect shall provide a preliminary evaluation of the program and the Project budget requirements, each in terms of the other, subject to the limitations set forth in Subparagraph 3.2.1.

1.1.3 The Architect shall review with the Owner alternative approaches to design and construction of the Project.

1.1.4 Based on the mutually agreed upon program and Project budget requirements, the Architect shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings and other documents illustrating the scale and relationship of Project components.

1.1.5 The Architect shall submit to the Owner a Statement of Probable Construction Cost based on current area, volume or other unit costs.

##### 1.2 DESIGN DEVELOPMENT PHASE

1.2.1 Based on the approved Schematic Design Documents and any adjustments authorized by the Owner in the program or Project budget, the Architect shall prepare, for approval by the Owner, Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the entire Project as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate.

1.2.2 The Architect shall submit to the Owner a further Statement of Probable Construction Cost.

##### 1.3 CONSTRUCTION DOCUMENTS PHASE

1.3.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the Project budget authorized by the Owner, the Architect shall prepare, for approval by the Owner, Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Project.

1.3.2 The Architect shall assist the Owner in the preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and the Contractor.

1.3.3 The Architect shall advise the Owner of any adjust-

ments to previous Statements of Probable Construction Cost indicated by changes in requirements or general market conditions.

1.3.4 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

##### 1.4 BIDDING OR NEGOTIATION PHASE

1.4.1 The Architect, following the Owner's approval of the Construction Documents and of the latest Statement of Probable Construction Cost, shall assist the Owner in obtaining bids or negotiated proposals, and assist in awarding and preparing contracts for construction.

##### 1.5 CONSTRUCTION PHASE—ADMINISTRATION OF THE CONSTRUCTION CONTRACT

1.5.1 The Construction Phase will commence with the award of the Contract for Construction and, together with the Architect's obligation to provide Basic Services under this Agreement, will terminate when final payment to the Contractor is due, or in the absence of a final Certificate for Payment or of such due date, sixty days after the Date of Substantial Completion of the Work, whichever occurs first.

1.5.2 Unless otherwise provided in this Agreement and incorporated in the Contract Documents, the Architect shall provide administration of the Contract for Construction as set forth below and in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

1.5.3 The Architect shall be a representative of the Owner during the Construction Phase, and shall advise and consult with the Owner. Instructions to the Contractor shall be forwarded through the Architect. The Architect shall have authority to act on behalf of the Owner only to the extent provided in the Contract Documents unless otherwise modified by written instrument in accordance with Subparagraph 1.5.16.

1.5.4 The Architect shall visit the site at intervals appropriate to the stage of construction or as otherwise agreed by the Architect in writing to become generally familiar with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of such on-site observations as an architect, the Architect shall keep the Owner informed of the progress and quality of the Work, and shall endeavor to guard the Owner against defects and deficiencies in the Work of the Contractor.

1.5.5 The Architect shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, for the acts or omissions of the Contractor, Sub-



contractors or any other persons performing any of the Work, or for the failure of any of them to carry out the Work in accordance with the Contract Documents.

**1.5.6** The Architect shall at all times have access to the Work wherever it is in preparation or progress.

**1.5.7** The Architect shall determine the amounts owing to the Contractor based on observations at the site and on evaluations of the Contractor's Applications for Payment, and shall issue Certificates for Payment in such amounts, as provided in the Contract Documents.

**1.5.8** The issuance of a Certificate for Payment shall constitute a representation by the Architect to the Owner, based on the Architect's observations at the site as provided in Subparagraph 1.5.4 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated; that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in the Certificate for Payment); and that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment shall not be a representation that the Architect has made any examination to ascertain how and for what purpose the Contractor has used the moneys paid on account of the Contract Sum.

**1.5.9** The Architect shall be the interpreter of the requirements of the Contract Documents and the judge of the performance thereunder by both the Owner and Contractor. The Architect shall render interpretations necessary for the proper execution or progress of the Work with reasonable promptness on written request of either the Owner or the Contractor, and shall render written decisions, within a reasonable time, on all claims, disputes and other matters in question between the Owner and the Contractor relating to the execution or progress of the Work or the interpretation of the Contract Documents.

**1.5.10** Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in written or graphic form. In the capacity of interpreter and judge, the Architect shall endeavor to secure faithful performance by both the Owner and the Contractor, shall not show partiality to either, and shall not be liable for the result of any interpretation or decision rendered in good faith in such capacity.

**1.5.11** The Architect's decisions in matters relating to artistic effect shall be final if consistent with the intent of the Contract Documents. The Architect's decisions on any other claims, disputes or other matters, including those in question between the Owner and the Contractor, shall be subject to arbitration as provided in this Agreement and in the Contract Documents.

**1.5.12** The Architect shall have authority to reject Work which does not conform to the Contract Documents. Whenever, in the Architect's reasonable opinion, it is

necessary or advisable for the implementation of the intent of the Contract Documents, the Architect will have authority to require special inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work be then fabricated, installed or completed.

**1.5.13** The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for conformance with the design concept of the Work and with the information given in the Contract Documents. Such action shall be taken with reasonable promptness so as to cause no delay. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

**1.5.14** The Architect shall prepare Change Orders for the Owner's approval and execution in accordance with the Contract Documents, and shall have authority to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time which are not inconsistent with the intent of the Contract Documents.

**1.5.15** The Architect shall conduct inspections to determine the Dates of Substantial Completion and final completion, shall receive and forward to the Owner for the Owner's review written warranties and related documents required by the Contract Documents and assembled by the Contractor, and shall issue a final Certificate for Payment.

**1.5.16** The extent of the duties, responsibilities and limitations of authority of the Architect as the Owner's representative during construction shall not be modified or extended without written consent of the Owner, the Contractor and the Architect.

## **1.6 PROJECT REPRESENTATION BEYOND BASIC SERVICES**

**1.6.1** If the Owner and Architect agree that more extensive representation at the site than is described in Paragraph 1.5 shall be provided, the Architect shall provide one or more Project Representatives to assist the Architect in carrying out such responsibilities at the site.

**1.6.2** Such Project Representatives shall be selected, employed and directed by the Architect, and the Architect shall be compensated therefor as mutually agreed between the Owner and the Architect as set forth in an exhibit appended to this Agreement, which shall describe the duties, responsibilities and limitations of authority of such Project Representatives.

**1.6.3** Through the observations by such Project Representatives, the Architect shall endeavor to provide further protection for the Owner against defects and deficiencies in the Work, but the furnishing of such project representation shall not modify the rights, responsibilities or obligations of the Architect as described in Paragraph 1.5.

## **1.7 ADDITIONAL SERVICES**

The following Services are not included in Basic Services unless so identified in Article 15. They shall be provided if authorized or confirmed in writing by the Owner, and they shall be paid for by the Owner as provided in this Agreement, in addition to the compensation for Basic Services.

1.7.1 Providing analyses of the Owner's needs, and programming the requirements of the Project.

1.7.2 Providing financial feasibility or other special studies.

1.7.3 Providing planning surveys, site evaluations, environmental studies or comparative studies of prospective sites, and preparing special surveys, studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.

1.7.4 Providing services relative to future facilities, systems and equipment which are not intended to be constructed during the Construction Phase.

1.7.5 Providing services to investigate existing conditions or facilities or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by the Owner.

1.7.6 Preparing documents of alternate, separate or sequential bids or providing extra services in connection with bidding, negotiation or construction prior to the completion of the Construction Documents Phase, when requested by the Owner.

1.7.7 Providing coordination of Work performed by separate contractors or by the Owner's own forces.

1.7.8 Providing services in connection with the work of a construction manager or separate consultants retained by the Owner.

1.7.9 Providing Detailed Estimates of Construction Cost, analyses of owning and operating costs, or detailed quantity surveys or inventories of material, equipment and labor.

1.7.10 Providing interior design and other similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.

1.7.11 Providing services for planning tenant or rental spaces.

1.7.12 Making revisions in Drawings, Specifications or other documents when such revisions are inconsistent with written approvals or instructions previously given, are required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents or are due to other causes not solely within the control of the Architect.

1.7.13 Preparing Drawings, Specifications and supporting data and providing other services in connection with Change Orders to the extent that the adjustment in the Basic Compensation resulting from the adjusted Construction Cost is not commensurate with the services required of the Architect, provided such Change Orders are required by causes not solely within the control of the Architect.

1.7.14 Making investigations, surveys, valuations, inventories or detailed appraisals of existing facilities, and services required in connection with construction performed by the Owner.

1.7.15 Providing consultation concerning replacement of any Work damaged by fire or other cause during construction, and furnishing services as may be required in connection with the replacement of such Work.

1.7.16 Providing services made necessary by the default of the Contractor, or by major defects or deficiencies in the Work of the Contractor, or by failure of performance of either the Owner or Contractor under the Contract for Construction.

1.7.17 Preparing a set of reproducible record drawings showing significant changes in the Work made during construction based on marked-up prints, drawings and other data furnished by the Contractor to the Architect.

1.7.18 Providing extensive assistance in the utilization of any equipment or system such as initial start-up or testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance, and consultation during operation.

1.7.19 Providing services after issuance to the Owner of the final Certificate for Payment, or in the absence of a final Certificate for Payment, more than sixty days after the Date of Substantial Completion of the Work.

1.7.20 Preparing to serve or serving as an expert witness in connection with any public hearing, arbitration proceeding or legal proceeding.

1.7.21 Providing services of consultants for other than the normal architectural, structural, mechanical and electrical engineering services for the Project.

1.7.22 Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice.

## 1.8 TIME

1.8.1 The Architect shall perform Basic and Additional Services as expeditiously as is consistent with professional skill and care and the orderly progress of the Work. Upon request of the Owner, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services which shall be adjusted as required as the Project proceeds, and shall include allowances for periods of time required for the Owner's review and approval of submissions and for approvals of authorities having jurisdiction over the Project. This schedule, when approved by the Owner, shall not, except for reasonable cause, be exceeded by the Architect.

## ARTICLE 2

### THE OWNER'S RESPONSIBILITIES

2.1 The Owner shall provide full information regarding requirements for the Project including a program, which shall set forth the Owner's design objectives, constraints and criteria, including space requirements and relationships, flexibility and expandability, special equipment and systems and site requirements.

2.2 If the Owner provides a budget for the Project it shall include contingencies for bidding, changes in the Work during construction, and other costs which are the responsibility of the Owner, including those described in this Article 2 and in Subparagraph 3.1.2. The Owner shall, at the request of the Architect, provide a statement of funds available for the Project, and their source.



2.3 The Owner shall designate, when necessary, a representative authorized to act in the Owner's behalf with respect to the Project. The Owner or such authorized representative shall examine the documents submitted by the Architect and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Architect's services.

2.4 The Owner shall furnish a legal description and a certified land survey of the site, giving, as applicable, grades and lines of streets, alleys, pavements and adjoining property; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and complete data pertaining to existing buildings, other improvements and trees; and full information concerning available service and utility lines both public and private, above and below grade, including inverts and depths.

2.5 The Owner shall furnish the services of soil engineers or other consultants when such services are deemed necessary by the Architect. Such services shall include test borings, test pits, soil bearing values, percolation tests, air and water pollution tests, ground corrosion and resistivity tests, including necessary operations for determining subsoil, air and water conditions, with reports and appropriate professional recommendations.

2.6 The Owner shall furnish structural, mechanical, chemical and other laboratory tests, inspections and reports as required by law or the Contract Documents.

2.7 The Owner shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the Project, including such auditing services as the Owner may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor uses the moneys paid by or on behalf of the Owner.

2.8 The services, information, surveys and reports required by Paragraphs 2.4 through 2.7 inclusive shall be furnished at the Owner's expense, and the Architect shall be entitled to rely upon the accuracy and completeness thereof.

2.9 If the Owner observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the Owner to the Architect.

2.10 The Owner shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of the Architect's services and of the Work.

### ARTICLE 3

#### CONSTRUCTION COST

##### 3.1 DEFINITION

3.1.1 The Construction Cost shall be the total cost or estimated cost to the Owner of all elements of the Project designed or specified by the Architect.

3.1.2 The Construction Cost shall include at current market rates, including a reasonable allowance for overhead and profit, the cost of labor and materials furnished by the Owner and any equipment which has been de-

signed, specified, selected or specially provided for by the Architect.

3.1.3 Construction Cost does not include the compensation of the Architect and the Architect's consultants, the cost of the land, rights-of-way, or other costs which are the responsibility of the Owner as provided in Article 2.

##### 3.2 RESPONSIBILITY FOR CONSTRUCTION COST

3.2.1 Evaluations of the Owner's Project budget, Statements of Probable Construction Cost and Detailed Estimates of Construction Cost, if any, prepared by the Architect, represent the Architect's best judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Project budget proposed, established or approved by the Owner, if any, or from any Statement of Probable Construction Cost or other cost estimate or evaluation prepared by the Architect.

3.2.2 No fixed limit of Construction Cost shall be established as a condition of this Agreement by the furnishing, proposal or establishment of a Project budget under Subparagraph 1.1.2 or Paragraph 2.2 or otherwise, unless such fixed limit has been agreed upon in writing and signed by the parties hereto. If such a fixed limit has been established, the Architect shall be permitted to include contingencies for design, bidding and price escalation, to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids to adjust the Construction Cost to the fixed limit. Any such fixed limit shall be increased in the amount of any increase in the Contract Sum occurring after execution of the Contract for Construction.

3.2.3 If the Bidding or Negotiation Phase has not commenced within three months after the Architect submits the Construction Documents to the Owner, any Project budget or fixed limit of Construction Cost shall be adjusted to reflect any change in the general level of prices in the construction industry between the date of submission of the Construction Documents to the Owner and the date on which proposals are sought.

3.2.4 If a Project budget or fixed limit of Construction Cost (adjusted as provided in Subparagraph 3.2.3) is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall (1) give written approval of an increase in such fixed limit, (2) authorize rebidding or re-negotiating of the Project within a reasonable time, (3) if the Project is abandoned, terminate in accordance with Paragraph 10.2, or (4) cooperate in revising the Project scope and quality as required to reduce the Construction Cost. In the case of (4), provided a fixed limit of Construction Cost has been established as a condition of this Agreement, the Architect, without additional charge, shall modify the Drawings and Specifications as necessary to comply



with the fixed limit. The providing of such service shall be the limit of the Architect's responsibility arising from the establishment of such fixed limit, and having done so, the Architect shall be entitled to compensation for all services performed, in accordance with this Agreement, whether or not the Construction Phase is commenced.

#### **ARTICLE 4**

##### **DIRECT PERSONNEL EXPENSE**

4.1 Direct Personnel Expense is defined as the direct salaries of all the Architect's personnel engaged on the Project, and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

#### **ARTICLE 5**

##### **REIMBURSABLE EXPENSES**

5.1 Reimbursable Expenses are in addition to the Compensation for Basic and Additional Services and include actual expenditures made by the Architect and the Architect's employees and consultants in the interest of the Project for the expenses listed in the following Subparagraphs:

5.1.1 Expense of transportation in connection with the Project; living expenses in connection with out-of-town travel; long distance communications; and fees paid for securing approval of authorities having jurisdiction over the Project.

5.1.2 Expense of reproductions, postage and handling of Drawings, Specifications and other documents, excluding reproductions for the office use of the Architect and the Architect's consultants.

5.1.3 Expense of data processing and photographic production techniques when used in connection with Additional Services.

5.1.4 If authorized in advance by the Owner, expense of overtime work requiring higher than regular rates.

5.1.5 Expense of renderings, models and mock-ups requested by the Owner.

5.1.6 Expense of any additional insurance coverage or limits, including professional liability insurance, requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants.

#### **ARTICLE 6**

##### **PAYMENTS TO THE ARCHITECT**

###### **6.1 PAYMENTS ON ACCOUNT OF BASIC SERVICES**

6.1.1 An initial payment as set forth in Paragraph 14.1 is the minimum payment under this Agreement.

6.1.2 Subsequent payments for Basic Services shall be made monthly and shall be in proportion to services performed within each Phase of services, on the basis set forth in Article 14.

6.1.3 If and to the extent that the Contract Time initially established in the Contract for Construction is exceeded

or extended through no fault of the Architect, compensation for any Basic Services required for such extended period of Administration of the Construction Contract shall be computed as set forth in Paragraph 14.4 for Additional Services.

6.1.4 When compensation is based on a percentage of Construction Cost, and any portions of the Project are deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent services are performed on such portions, in accordance with the schedule set forth in Subparagraph 14.2.2, based on (1) the lowest bona fide bid or negotiated proposal or, (2) if no such bid or proposal is received, the most recent Statement of Probable Construction Cost or Detailed Estimate of Construction Cost for such portions of the Project.

###### **6.2 PAYMENTS ON ACCOUNT OF ADDITIONAL SERVICES**

6.2.1 Payments on account of the Architect's Additional Services as defined in Paragraph 1.7 and for Reimbursable Expenses as defined in Article 5 shall be made monthly upon presentation of the Architect's statement of services rendered or expenses incurred.

###### **6.3 PAYMENTS WITHHELD**

6.3.1 No deductions shall be made from the Architect's compensation on account of penalty, liquidated damages or other sums withheld from payments to contractors, or on account of the cost of changes in the Work other than those for which the Architect is held legally liable.

###### **6.4 PROJECT SUSPENSION OR TERMINATION**

6.4.1 If the Project is suspended or abandoned in whole or in part for more than three months, the Architect shall be compensated for all services performed prior to receipt of written notice from the Owner of such suspension or abandonment, together with Reimbursable Expenses then due and all Termination Expenses as defined in Paragraph 10.4. If the Project is resumed after being suspended for more than three months, the Architect's compensation shall be equitably adjusted.

#### **ARTICLE 7**

##### **ARCHITECT'S ACCOUNTING RECORDS**

7.1 Records of Reimbursable Expenses and expenses pertaining to Additional Services and services performed on the basis of a Multiple of Direct Personnel Expense shall be kept on the basis of generally accepted accounting principles and shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

#### **ARTICLE 8**

##### **OWNERSHIP AND USE OF DOCUMENTS**

8.1 Drawings and Specifications as instruments of service are and shall remain the property of the Architect whether the Project for which they are made is executed or not. The Owner shall be permitted to retain copies, including reproducible copies, of Drawings and Specifications for information and reference in connection with the Owner's use and occupancy of the Project. The Drawings and Specifications shall not be used by the Owner on

other projects, for additions to this Project, or for completion of this Project by others provided the Architect is not in default under this Agreement, except by agreement in writing and with appropriate compensation to the Architect.

**8.2** Submission or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's rights.

## **ARTICLE 9**

### **ARBITRATION**

**9.1** All claims, disputes and other matters in question between the parties to this Agreement, arising out of or relating to this Agreement or the breach thereof, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. No arbitration, arising out of or relating to this Agreement, shall include, by consolidation, joinder or in any other manner, any additional person not a party to this Agreement except by written consent containing a specific reference to this Agreement and signed by the Architect, the Owner, and any other person sought to be joined. Any consent to arbitration involving an additional person or persons shall not constitute consent to arbitration of any dispute not described therein or with any person not named or described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person or persons duly consented to by the parties to this Agreement shall be specifically enforceable under the prevailing arbitration law.

**9.2** Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

**9.3** The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

## **ARTICLE 10**

### **TERMINATION OF AGREEMENT**

**10.1** This Agreement may be terminated by either party upon seven days' written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination.

**10.2** This Agreement may be terminated by the Owner upon at least seven days' written notice to the Architect in the event that the Project is permanently abandoned.

**10.3** In the event of termination not the fault of the Architect, the Architect shall be compensated for all services performed to termination date, together with Reimbursable Expenses then due and all Termination Expenses as defined in Paragraph 10.4.

**10.4** Termination Expenses include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount computed as a percentage of the total Basic and Additional Compensation earned to the time of termination, as follows:

- .1** 20 percent if termination occurs during the Schematic Design Phase; or
- .2** 10 percent if termination occurs during the Design Development Phase; or
- .3** 5 percent if termination occurs during any subsequent phase.

## **ARTICLE 11**

### **MISCELLANEOUS PROVISIONS**

**11.1** Unless otherwise specified, this Agreement shall be governed by the law of the principal place of business of the Architect.

**11.2** Terms in this Agreement shall have the same meaning as those in AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

**11.3** As between the parties to this Agreement: as to all acts or failures to act by either party to this Agreement, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the relevant Date of Substantial Completion of the Work, and as to any acts or failures to act occurring after the relevant Date of Substantial Completion, not later than the date of issuance of the final Certificate for Payment.

**11.4** The Owner and the Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages covered by any property insurance during construction as set forth in the edition of AIA Document A201, General Conditions, current as of the date of this Agreement. The Owner and the Architect each shall require appropriate similar waivers from their contractors, consultants and agents.

## **ARTICLE 12**

### **SUCCESSORS AND ASSIGNS**

**12.1** The Owner and the Architect, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the Architect shall assign, sublet or transfer any interest in this Agreement without the written consent of the other.

## **ARTICLE 13**

### **EXTENT OF AGREEMENT**

**13.1** This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

**ARTICLE 14**  
**BASIS OF COMPENSATION**

The Owner shall compensate the Architect for the Scope of Services provided, in accordance with Article 6, Payments to the Architect, and the other Terms and Conditions of this Agreement, as follows:

14.1 AN INITIAL PAYMENT of NONE dollars (\$ NONE )  
shall be made upon execution of this Agreement and credited to the Owner's account as follows:

14.2 BASIC COMPENSATION

14.2.1 FOR BASIC SERVICES, as described in Paragraphs 1.1 through 1.5, and any other services included in Article 15 as part of Basic Services, Basic Compensation shall be computed as follows:

*(Here insert basis of compensation, including fixed amounts, multiples or percentages, and identify Phases to which particular methods of compensation apply, if necessary.)*

Five Point Five (5.5%) Percent of Construction Costs.

14.2.2 Where compensation is based on a Stipulated Sum or Percentage of Construction Cost, payments for Basic Services shall be made as provided in Subparagraph 6.1.2, so that Basic Compensation for each Phase shall equal the following percentages of the total Basic Compensation payable:

*(Include any additional Phases as appropriate.)*

Schematic Design Phase:	percent ( 15%)
Design Development Phase:	percent ( 35%)
Construction Documents Phase:	percent ( 75%)
Bidding or Negotiation Phase:	percent ( 80%)
Construction Phase:	percent (100%)

14.3 FOR PROJECT REPRESENTATION BEYOND BASIC SERVICES, as described in Paragraph 1.6, Compensation shall be computed separately in accordance with Subparagraph 1.6.2.



14.4 COMPENSATION FOR ADDITIONAL SERVICES

14.4.1 FOR ADDITIONAL SERVICES OF THE ARCHITECT, as described in Paragraph 1.7, and any other services included in Article 15 as part of Additional Services, but excluding Additional Services of consultants, Compensation shall be computed as follows:

*(Here insert basis of compensation, including rates and/or multiples of Direct Personnel Expense for Principals and employees, and identify Principals and classify employees, if required. Identify specific services to which particular methods of compensation apply, if necessary.)*

A. Principal Time at the Fixed Rate of Seventy-Five (\$ 75.00) Dollars Per Hour. For the purpose of this Agreement the Principals are:

Wm. N. Geiger, Jr.  
H. Donald McElveen  
Robert H. Kennedy, Jr.

B. Employees Time (other than Principals) at a multiple of 2.5 (Two Point Five) times the employees Direct Personnel Expense as defined in Article Four (4).

14.4.2 FOR ADDITIONAL SERVICES OF CONSULTANTS, including additional structural, mechanical and electrical engineering services and those provided under Subparagraph 1.7.21 or identified in Article 15 as part of Additional Services, a multiple of One Point Two 1.2 times the amounts billed to the Architect for such services.

*(Identify specific types of consultants in Article 15, if required.)*

14.5 FOR REIMBURSABLE EXPENSES, as described in Article 5, and any other items included in Article 15 as Reimbursable Expenses, a multiple of One (Actual) 1 times the amounts expended by the Architect, the Architect's employees and consultants in the interest of the Project.  
Travel and Lodging Expense excluded unless authorized by Owner.

14.6 Payments due the Architect and unpaid under this Agreement shall bear interest from the date payment is due at the rate entered below, or in the absence thereof, at the legal rate prevailing at the principal place of business of the Architect.

*(Here insert any rate of interest agreed upon.)*

*(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Architect's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletion, modification, or other requirements such as written disclosures or waivers.)*

14.7 The Owner and the Architect agree in accordance with the Terms and Conditions of this Agreement that:

14.7.1 IF THE SCOPE of the Project or of the Architect's Services is changed materially, the amounts of compensation shall be equitably adjusted.

14.7.2 IF THE SERVICES covered by this Agreement have not been completed within Thirty 30) months of the date hereof, through no fault of the Architect, the amounts of compensation, rates and multiples set forth herein shall be equitably adjusted.

ARTICLE 15  
OTHER CONDITIONS OR SERVICES

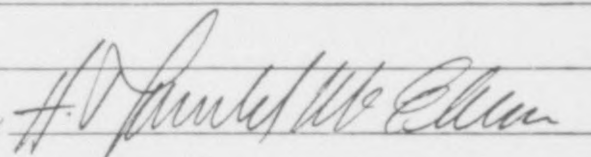
This Agreement entered into as of the day and year first written above.

OWNER YORK TECHNICAL COLLEGE  
ROCK HILL, SOUTH CAROLINA

ARCHITECT GMK, INC.  
COLUMBIA, SOUTH CAROLINA

BY \_\_\_\_\_

BY





## ARTICLE 15

### OTHER CONDITIONS OR SERVICES

In the TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT AND/OR ENGINEER add to or delete from as follows:

15.1 GENERAL:

"Where the word "ARCHITECT" appears in the TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT substitute therefor: "ARCHITECT and/or ENGINEER."

15.2 ARTICLE I - ARCHITECT AND/OR ENGINEER'S SERVICES AND RESPONSIBILITY:

Add the following subparagraph:

"1.1.5.1 Upon completion of the Schematic Design Phase, the Schematic Design Documents, including Probable Construction Cost shall be submitted to the Owner and State Engineer, and the Owner will approve the Probable Construction Cost in writing."

15.2.2 "1.2 Delete in its entirety and substitute therefor the following:

"1.2 DESIGN DEVELOPMENT PHASE

"1.2.1 Based on the Schematic Design Documents and any adjustments in the program or project budget, the Owner shall instruct the Architect, in writing to prepare the Design Development Documents.

"1.2.2 Design Development Documents shall include sufficient material to delineate the scope of Project and to indicate the general design of the Project. Design Development Document, consisting of Drawing, Outline Specifications, Probable Construction Cost, and any other material or document necessary to prepare the Design Development Documents shall contain all architectural and/or engineering skills.

"1.2.3 Design Development Documents shall include but are not limited to the following:

"1.2.3.1 DRAWINGS:

(a) Existing topographic features and improvements affecting or relating to the proposed work. Indicate revisions to be made to existing topographic features and improvements such as grading, construction of drainage facilities, etc. Where drainage facilities are to be provided, indicate direction of flow and point of discharge by appropriate symbol or notes.

(b) Double-line drawings showing developed floor plans, proposed finished floor elevations, floor and roof framing, typical wall section, exterior elevations showing proposed floor-to-floor heights and basic details of any unusual features of construction.

(c) Provide information necessary to establish space requirements and functional arrangement.

(d) Functional layout of mechanical, electrical and electronic features, special equipment, plumbing and heating to include, where applicable:

(1) Location of evaporative coolers and/or air conditioning units.

(2) General scale layout of equipment, heater and/or boiler rooms showing space requirements and auxiliary equipment proposed.

(3) Location and approximate size of special equipment to be installed such as compressors, generators, transformers, electronic equipment racks, consoles, panels, distributing frames, hoists, cranes, etc.

(e) Location, dimension, sections, areas and capacities, as applicable to parking areas, access roads, driveways, walks, etc.

(f) Location and size of existing or proposed sanitary sewers, water mains, gas mains and electrical service in the vicinity of the proposed buildings. Size and location of transformers. Elevations of gravity lines. Location of proposed building connections with notations showing which of the necessary utility extensions or connections beyond the 5-foot building line will be provided.

(g) Provide simplified schematic electrical diagrams for each electronic or instrumentation system to show that the required system functions are being provided.

"1.2.3.2 Outline Specifications and Probable Construction Cost shall be developed to a uniform level, reflecting the material, trades, mechanical and electrical system, and specialties required to reflect the Project as a whole.

"1.2.4 Upon completion of Design Development Phase, the Design Development Documents, including Outline Specifications and Probable Construction Cost shall be submitted to the Owner and State Engineer, and the Owner will approve the Probable Construction Cost in writing."

5.2.3 Add the following subparagraph:

"1.3.4.1 Prior to advertising for bids for construction, the Architect and/or Engineer shall submit the Construction Documents and Probable Construction Cost and shall obtain written approval of the Probable Construction Cost from the Owner..

"1.3.4.2 Submission of the Construction Documents and Probable Construction Documents and Probable Construction Cost to the Owner and State Engineer and the approval of the Probable Construction Cost shall not relieve the Architect and/or Engineer of any responsibility for design deficiencies, omission or errors."

2.4 "1.5.4.1 Periodic visit by the ARCHITECT and/or ENGINEER may vary with the progress of the work and other conditions, but shall average not less than one visit by the ARCHITECT and/or ENGINEER or his representative to the project per week during the course of construction. The ARCHITECT and/or ENGINEER shall submit to the OWNER a written report of his periodic visit, at least once a month, of his findings and progress of the project.

"1.5.4.1.2 Should the CONTRACTOR fall behind in his construction schedule by more than four weeks, the ARCHITECT and/or ENGINEER shall notify the OWNER in writing."

2.5 1.5.9 Delete in its entirety and substitute therefor the following:

"1.5.9 The ARCHITECT and/or ENGINEER shall be the interpreter of the requirements of the CONTRACT DOCUMENTS and judge of the performance thereunder by both the OWNER and the CONTRACTOR. The ARCHITECT and/or ENGINEER shall render written interpretations necessary for the proper execution or progress of the work within fifteen days on written request of either the OWNER or the CONTRACTOR, unless such interpretation can only be made after testing, in which case an interpretation must be rendered within fifteen days after completion of such test, and shall render written decisions, within fifteen days, on all claims, disputes and other matters in question between the OWNER and the CONTRACTOR relating to the execution or progress of the work or the interpretation of the CONTRACT DOCUMENTS."

2.6 Add the following subparagraph:

"1.5.14.1 Where a Change Order is required due to field adjustment, design deficiency omission or error, the Change Order shall be prepared at no cost to the Owner."

2.7 Add the following Subparagraphs:

"1.5.17 Upon completion of the CONSTRUCTION PHASE, the ARCHITECT and/or ENGINEER shall correct the original drawing to "record drawings" showing all significant changes in the Work made during construction. Such changes to the drawings shall be made in a professional manner, and drawings shall be stamped and signed by the ARCHITECT and/or ENGINEER as said drawings being "record drawings", based on marked-up prints, drawings and other data furnished by the CONTRACTOR and/or representative of the OWNER and/or ARCHITECT and/or ENGINEER.

"1.5.18 One month prior to the expiration of the one-year warranty period as called for in the CONSTRUCTION DOCUMENTS, the ARCHITECT and/or ENGINEER shall inspect the project for any deficiencies that may have developed under the one-year warranty. Upon completion of inspection a written report shall be furnished to the OWNER, the STATE ENGINEER and the CONTRACTOR, and the ARCHITECT and/or ENGINEER shall assist the OWNER in taking necessary action to see that the deficiencies are corrected."



15.2.8 1.7.17 Delete this subparagraph in its entirety.

15.3 ARTICLE 2 - THE OWNER'S RESPONSIBILITY:

15.3.1 2.4 First line following Owner delete "shall furnish" and substitute therefor the following:

"will furnish, if requested, by the ARCHITECT and/or ENGINEER."

15.4 ARTICLE 3 - CONSTRUCTION COST:

15.4.1 Add the following Subparagraph:

"3.1.3.1 Compensation to the ARCHITECT and/or ENGINEER shall be as set forth in Article 14. When compensation is based on "Percentage of Construction Cost" the establishing of the percentage shall be the amount of the Construction Contract awarded. Once established, the same percentage figure shall apply to any recomputation of fee occasioned by Change Order, and only Change Orders that increase the contract amount shall be used in recomputation. Where a Change Order is required because of field adjustments, design deficiencies, omission or errors, the amount of that Change Order shall not apply toward computation of ARCHITECT and/or ENGINEER'S compensation".

15.4.2 Add the following Subparagraph:

"3.2.2.1 Fixed limit of Construction Cost shall be the Probable Construction Cost as defined in Subparagraph 1.3.4.1".

15.4.3 6.1.3 Delete in its entirety and substitute therefor the following:

"6.1.3 If the Contract Time initially established in the Construction Contract is exceeded by more than thirty days through no fault of the ARCHITECT and/or ENGINEER, compensation for Basic Services performed by Principals, employees and professional consultants required to complete the Administration of the Construction Contract beyond the thirtieth day shall be computed as set forth in Paragraph 14.4.1 and 14.4.2 for Additional Services. No additional services by the ARCHITECT and/or ENGINEER in connection with semi-final and final inspection."

15.5 ARTICLE 8: OWNERSHIP OF DOCUMENTS:

15.5.1 ARTICLE 8: Delete in its entirety and substitute therefor new ARTICLE 8 as follows:

"ARTICLE 8: OWNERSHIP OF DOCUMENTS".

8.1 The Owner shall have unlimited rights in the ownership of all drawings, designs, specifications, notes and other work developed in the performance of the AGREEMENT, including the right to use same on any other Owner's projects without additional cost to the Owner, and with respect thereto the ARCHITECT and/or ENGINEER agrees to and does hereby grant to the Owner a royalty-free

to all in which he may have a copyright and to all designs to which he may assert any rights or establish any claim under the design patent or copyright laws.

"8.2 In the case of future reuse of the documents the Owner reserves the right to negotiate with the ARCHITECT and/or ENGINEER for compensation for the acceptance of any professional liability."

"8.3 In the event the Owner does not exercise the option to negotiate with the ARCHITECT and/or ENGINEER FOR THE Architect's and/or Engineer's acceptance of any professional liability, it is understood that the ARCHITECT and/or ENGINEER is no longer liable in the reuse of the documents.

15.6 ARTICLE 9 - ARBITRATION

Delete ARTICLE 9 in its entirety.

15.7 ARTICLE 10 - TERMINATION OF AGREEMENT

15.7.1 10.3 Fourth line following "Expense" change comma "," to period "." and delete rest of sentence.

15.7.2 10.4 Delete in its entirety.

15.8 ARTICLE 11 - MISCELLANEOUS PROVISIONS

15.8.1 11.1 Second line following "laws of" delete remaining of sentence and substitute therefor the following:

"-----South Carolina."

15.9 ARTICLE 14 - BASIS OF COMPENSATION

15.9.1 14.6 Delete in its entirety and substitute therefor the following:

"14.6 Payment due the ARCHITECT and/or ENGINEER under this Agreement shall bear interest at six percent per annum commencing forty-five days after date of billing."

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 27 1981

NO. 19

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

ITEM NUMBER

14

STATE BUDGET & CONTROL BOARD

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Agency: State Treasurer's Office

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Subject: Resolution Authorizing Issuance by Clemson University of \$5,400,000  
Bond Anticipation Notes in Anticipation of Sale of Student and Faculty  
Housing Revenue Bonds

Adoption of the proposed resolution with authorize Clemson University  
to defray the remaining costs of the construction of a 512-bed apartment complex  
which is now estimated to cost approximately \$9,000,000.

The Board action on this resolution is subject to review by the Joint  
Bond Review Committee, pursuant to Section 4 of Act 518 of 1980.

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Board Action Requested:

Adopt resolution approving the undertaking of the Board of Trustees  
of Clemson University to issue \$5,400,000 Bond Anticipation Notes issued in anticipation  
of the sale of a like amount of Student and Faculty Housing Revenue Bonds and  
approving the issuance of such bonds, subject to review by the Joint Bond Review  
Committee.

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Staff Comment:

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Attachments:

Referenced resolution

**13951**



# EXHIBIT

JAN 27 1981

NO. 19

ORIGINAL

## STATE BUDGET & CONTROL BOARD

### A RESOLUTION

APPROVING THE UNDERTAKING OF THE BOARD OF TRUSTEES OF CLEMSON UNIVERSITY TO ISSUE \$5,400,000 BOND ANTICIPATION NOTES ISSUED IN ANTICIPATION OF THE SALE OF \$5,400,000 CLEMSON UNIVERSITY STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES I, APPROVING THE ISSUANCE OF THE \$5,400,000 CLEMSON UNIVERSITY STUDENT AND FACULTY HOUSING REVENUE BONDS, SERIES I, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

### ARTICLE I

#### FINDINGS OF FACT

As an incident to the adoption of this Resolution, the State Budget and Control Board of South Carolina (the Board) finds:

#### Section 1.01

The Board of Trustees of Clemson University (the Trustees) is authorized by Act No. 456 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1961, as amended (the Enabling Act) to make provision for the issuance of Student and Faculty Housing Revenue Bonds in order to raise funds to defray the cost of acquiring and constructing additional student and faculty housing facilities.

#### Section 1.02

Heretofore, under date of September 21, 1966, the Trustees adopted a Resolution entitled "A Resolution Providing For The Issuance And Sale Of Student And Faculty

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Housing Revenue Bonds Of Clemson University, And Other Matters Relating Thereto," as amended and supplemented (the Resolution of 1966) as a means of providing for the issuance of Student and Faculty Housing Revenue Bonds of Clemson University.

Section 1.03

In and by the Resolution of 1966, it is expressly provided that Student and Faculty Housing Revenue Bonds may be issued pursuant to a Resolution expressed to be supplementary to the Resolution of 1966 provided all conditions imposed by the Resolution of 1966 are met.

At the present time the following issues constitute the outstanding Student and Faculty Housing Revenue Bonds issued by the Trustees pursuant to the authorizations of the Enabling Act and in accordance with each of the conditions contained in the Resolution of 1966:

- (a) the outstanding \$1,125,000 of an original issue of \$1,300,000 Clemson University Student and Faculty Housing Revenue Bonds, Series C, dated as of July 1, 1966;
- (b) the outstanding \$3,135,000 of an original issue of \$3,800,000 Clemson University Student and Faculty Housing Revenue Bonds, Series F, dated as of October 1, 1970;
- (c) the outstanding \$950,000 of an original issue of \$1,100,000 Clemson University Student and Faculty Housing Revenue Bonds, Series G, dated as of October 1, 1972; and
- (d) the outstanding \$6,930,000 of an original issue of \$7,700,000 Clemson University Student and Faculty Housing Revenue Bonds, Series H, dated as of July 1, 1978.

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#### Section 1.04

It had been determined by the Trustees that it is necessary to construct additional student and faculty housing facilities to accommodate the increasing student body of Clemson University. To that end, the Trustees did heretofore undertake the construction of a 512 bed apartment complex, the total cost of which will approximate \$9.0 Million. Construction of the complex is underway and surplus revenues received from the operation of the student and faculty housing facilities to the extent of \$3.6 Million have been used to defray the initial portion of the construction. Thus, it is necessary for the Trustees to raise the sum of \$5.4 Million to defray the remaining costs of the construction of this facility and the Trustees have determined to raise this sum by the issuance of \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I.

#### Section 1.05

Due to present market conditions, however, the Trustees have determined to raise the necessary funds through the issuance of bond anticipation notes rather than by issuing long-term debt. The Trustees are authorized by Chapter 17, Title 11, Code of Laws of South Carolina, 1976, to issue bond anticipation notes to provide the funds in anticipation of the receipt of the proceeds of \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I (the Series I Bonds).

**13954**



#### Section 1.06

In order to authorize the issuance of bond anticipation notes, the Trustees adopted a Resolution on January 16, 1981 entitled, "A Resolution Providing For Temporary Borrowing Pursuant To Chapter 17, Title 11, Code Of Laws Of South Carolina, 1976, In Anticipation Of The Issuance Of Five Million Four Hundred Thousand Dollars (\$5,400,000) Clemson University Student And Faculty Housing Revenue Bonds, Series I," and incident thereto determined that all conditions precedent to the issuance of the Series I Bonds, including all conditions contained in the Resolution of 1966 and the Enabling Act have or will be met upon the issuance of such Bonds.

#### Section 1.07

The Board has received a certified copy of the Resolution of the Trustees adopted January 16, 1981 and has given due consideration to the matters set forth therein.

The Board has for itself determined that due to market conditions now prevailing no attempt should be made at this time to sell the \$5,400,000 Series I Bonds, and that the Trustees should be empowered to issue, in anticipation of the receipt of the proceeds of the Series I Bonds, \$5,400,000 of Bond Anticipation Notes.

#### Section 1.08

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

# EXHIBIT

JAN 27 1981

NO. 19

## ARTICLE II

## STATE BUDGET & CONTROL BOARD

### AUTHORIZATION TO ISSUE NOTES

#### Section 2.01

Approval and authorization are hereby granted to the Trustees of Clemson University to effect the sale of \$5,400,000 of Bond Anticipation Notes, the principal of and interest on which will be paid from the proceeds of the Series I Bonds.

#### Section 2.02

Such Bond Anticipation Notes shall be sold by the Trustees in the manner prescribed by the Resolution adopted by the Trustees on January 16, 1981; Provided, however, the rate of interest to be borne by the Bond Anticipation Notes shall be subject to the approval of the State Treasurer of the State of South Carolina if such rate is in excess of seven and one-half percent ( $7\frac{1}{2}\%$ ) per annum.

## ARTICLE III

### AUTHORIZATION TO ISSUE BONDS

#### Section 3.01

Approval and authorization are hereby granted to the Trustees of Clemson University to the issuance and delivery of \$5,400,000 Clemson University, Student and Faculty Housing Revenue Bonds, Series I, the proceeds of which will be used to pay the principal of and interest on the Bond Anticipation Notes, the issuance of which is herein approved; Provided, however, if the net interest cost in the lowest bid is in excess of seven percent (7%) per annum,

the award of the said Bonds shall be subject to the approval of the State Treasurer of the State of South Carolina.

ARTICLE IV

FURTHER ACTION

Section 4.01

All members of the Board and any officer hereof shall be and they are fully authorized and empowered to execute and deliver such certificates and other documents as may be required to effect the issuance and sale of the Bond Anticipation Notes and the Series I Bonds of Clemson University herein authorized.

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# EXHIBIT

STATE OF SOUTH CAROLINA

JAN 27 1981 NO. 19

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 9:00 A. M., Tuesday, January 27, 1981, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

Senator Rembert C. Dennis

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Rep. Mangum, who moved its adoption; said motion was seconded by Mr. Morris, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

4

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

Secretary

February 13, 1981

*after review  
by Joint Board Review Committee  
Summary 37-81, JBAC letter 2/12/81*

13958

JAN 21 1981

SINKLER GIBBS & SIMONS  
PROFESSIONAL ASSOCIATION  
ATTORNEYS & COUNSELLORS AT LAW  
160 EAST BAY STREET  
CHARLESTON, S. C. 29402

POST OFFICE BOX 340

TELEPHONE 722-3366  
AREA CODE 803

January 19, 1981

EXHIBIT

JAN 27 1981 NO. 19

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
P. O. Box 12444  
Columbia, SC 29211

Dear Mr. McInnis:

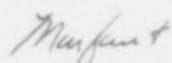
Please find enclosed a Resolution which approves the issuance and sale by Clemson University of \$5,400,000 Bond Anticipation Notes and \$5,400,000 Student and Faculty Housing Revenue Bonds of Clemson University, Series I, the proceeds of which will be used to pay the said Notes at their maturity.

The Board of Trustees of Clemson University passed a Resolution authorizing the issuance and sale of the Notes on January 16, 1981.

Please return to me six counterparts of this Resolution with your certificate attached upon its adoption.

If you find that you need anything further in this regard, please feel free to contact me.

Sincerely,



Margaret A. Christian

MAC/jcm  
Enclosures

13959

# EXHIBIT

JAN 27 1981

NO. 19

STATE BUDGET & CONTROL BOARD



VICE PRESIDENT FOR BUSINESS AND FINANCE

January 26, 1981

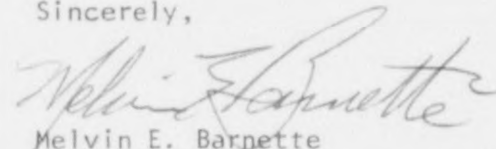
Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, S.C. 29211

Dear Bill:

I am enclosing herewith a certified copy of the Resolution of the Board of Trustees of Clemson University which authorizes the issuance and delivery of not exceeding \$5,400,000 Bond Anticipation Notes, proceeds of which will be used, to defray cost of construction of an additional Student Housing Facility for Clemson University. It is my understanding that a Resolution which approves this issue will be presented to the State Budget and Control Board at their meeting on January 27, 1981.

If there is anything further that you need in this regard, please do not hesitate to let me know.

Sincerely,

  
Melvin E. Barnette  
Vice President for  
Business and Finance

MEB:jac

Enclosure

13960



# EXHIBIT

JAN 27 1981

NO. 19

## STATE BUDGET & CONTROL BOARD

A RESOLUTION  
PROVIDING FOR TEMPORARY BORROWING PURSUANT TO CHAPTER 17,  
TITLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, IN  
ANTICIPATION OF THE ISSUANCE OF FIVE MILLION FOUR HUNDRED  
THOUSAND DOLLARS (\$5,400,000) CLEMSON UNIVERSITY STUDENT AND  
FACULTY HOUSING REVENUE BONDS, SERIES I.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEMSON  
UNIVERSITY IN MEETING DULY ASSEMBLED:

### ARTICLE I

#### FINDINGS OF FACT

As an incident to the adoption of this Resolution and  
the issuance of the Bond Anticipation Notes herein  
authorized, the Board of Trustees of Clemson University (the  
Board) finds:

#### Section 1.01

The Board is authorized by Act No. 456 of the Acts and  
Joint Resolutions of the General Assembly of the State of  
South Carolina for the year 1961, as amended (the Enabling  
Act) to make provision for the issuance of Student and  
Faculty Housing Revenue Bonds in order to raise funds to  
defray the cost of acquiring and constructing additional  
student and faculty housing facilities.

#### Section 1.02

Heretofore, under date of September 21, 1966, the Board  
adopted a Resolution entitled "A Resolution Providing For  
The Issuance And Sale Of Student And Faculty Housing Revenue  
Bonds Of Clemson University, And Other Matters Relating  
Thereto, as amended and supplemented (the Resolution of

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1966) as a means of providing for the issuance of Student and Faculty Housing Revenue Bonds of Clemson University.

Section 1.03

In and by the Resolution of 1966, it is expressly provided that Student and Faculty Housing Revenue Bonds may be issued pursuant to a Resolution expressed to be supplementary to the Resolution of 1966 provided all conditions imposed by the Resolution of 1966 are met. Pursuant to resolutions supplementary to the Resolution of 1966, provision was made for the issuance of the following series of Student and Faculty Housing Revenue Bonds:

- (a) \$2,620,000 Clemson University Student and Faculty Housing Revenue Bonds, Series A, dated as of July 1, 1966 (the Series A Bonds);
- (b) \$4,200,000 Clemson University Student and Faculty Housing Revenue Bonds, Series B, dated as of July 1, 1966 (the Series B Bonds);
- (c) \$1,300,000 Clemson University Student and Faculty Housing Revenue Bonds, Series C, dated as of July 1, 1966 (the Series C Bonds);
- (d) \$2,300,000 Clemson University Student and Faculty Housing Revenue Bonds, Series D, dated as of July 1, 1967 (the Series D Bonds);
- (e) \$2,200,000 Clemson University Student and Faculty Housing Revenue Bonds, Series E, dated as of July 1, 1967 (the Series E Bonds);
- (f) \$3,800,000 Clemson University Student and Faculty Housing Revenue Bonds, Series F, dated as of October 1, 1970 (the Series F Bonds); and
- (g) \$1,100,000 Clemson University Student and Faculty Housing Revenue Bonds, Series G, dated as of October 1, 1972 (the Series G Bonds).

#### Section 1.04

Subsequently, the Board determined to refund all of the outstanding Student and Faculty Housing Revenue Bonds, described in Section 1.03 herein, in order to change the provisions relating to the use of the Entire Revenues, as such term is defined in the Resolution of 1966, to relax certain provisions relating to Additional Bonds, as such term is defined in the Resolution of 1966 and to provide that the State Treasurer of South Carolina in lieu of a commercial bank shall act as trustee of the Entire Revenues and other funds established pursuant to the Enabling Act.

#### Section 1.05

To that end a Resolution entitled "A Resolution Providing For The Issuance And Sale Of Refunding Bonds Of All Student And Faculty Housing Revenue Bonds Of Clemson University, And Other Matters Relating Thereto" (the Resolution of 1978) was duly adopted on January 14, 1978. The Resolution of 1978 does not take effect until the holders of all of the outstanding Student and Faculty Housing Revenue Bonds issued pursuant to the provisions of the Resolution of 1966 have agreed thereto or have been defeased. However, in order to carry out the initial steps of the plan of refunding, the Board adopted a Resolution expressed to be supplementary to the Resolution of 1966 which made provision for the issuance of \$7,700,000 Student and Faculty Housing Revenue Bonds, Series H, of Clemson



University, South Carolina, the proceeds of which were used to refund by exchange all of the outstanding Series B, Series D and Series E Bonds. While the provisions of the Resolution of 1966 presently control the Series H Bonds, the provisions of the Resolution of 1978 will govern the Series H Bonds at the time the holders of all outstanding Student and Faculty Housing Revenue Bonds have agreed thereto or such Bonds shall have been defeased.

The final maturity of the Series A Bonds occurred in 1979. Present market conditions have, to this point, prevented the redemption of the Series F and Series G Bonds. The United States Department of Housing and Urban Development, as the holder of the Series C Bonds, has agreed to a refunding by exchange of that issue, but the refunding has not been effected as of this date.

#### Section 1.06

It had been determined by the Board that it is necessary to construct additional student and faculty housing facilities to accommodate the ever increasing student body of Clemson University. To that end, the Board did heretofore undertake the construction of a 512 bed apartment complex, the total cost of which will approximate \$9.0 million. Construction of the complex is underway and surplus revenues received from the operation of the student and faculty housing facilities to the extent of \$3.6 million have been used to defray the initial portion of the construction. Thus, it is necessary for the Board to raise

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the sum of \$5.4 million to defray all remaining costs of the construction of this facility and the Board has determined to raise this sum by the issuance of \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I. Such Bonds will be issued pursuant to the Resolution of 1966.

#### Section 1.07

Presently, the outstanding Student and Faculty Housing Revenue Bonds of Clemson University issued pursuant to the Resolution of 1966 consist of the following:

- (a) the outstanding \$1,125,000 of the Series C Bonds;
- (b) the outstanding \$3,135,000 of the Series F Bonds;
- (c) the outstanding \$950,000 of the Series G Bonds;  
and
- (d) the outstanding \$6,930,000 of the Series H Bonds.

#### Section 1.08

The statutory limitation now controlling the issuance of Student and Faculty Housing Revenue Bonds is contained in Section 4 of the Enabling Act and provides that there shall not be outstanding at any time such Bonds in excess of twenty million dollars.

#### Section 1.09

Due to present market conditions, the Board has determined to raise the necessary funds through the issuance of bond anticipation notes rather than by issuing long-term debt. The Board is authorized by Chapter 17, Title 11, Code of Laws of South Carolina, 1976, to issue bond anticipation notes to provide the funds in anticipation of the receipt of

the proceeds of \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I (the Series I Bonds).

Section 1.10

The Board has further determined that all conditions of the Resolution of 1966, including the earnings tests prescribed therein, relating to the issuance of Additional Bonds have or will be met upon the issuance of the Series I Bonds.

Section 1.11

On the basis of the foregoing, the Board adopts this Resolution in order to:

(a) authorize the issuance of not exceeding \$5,400,000 Bond Anticipation Notes to raise the necessary funds for the construction of the apartment complex more fully described herein;

(b) covenant that the Board will effect the issuance of sufficient Series I Bonds to provide funds with which to pay the Bond Anticipation Notes herewith authorized at the time of their maturity; and

(c) seek the approval of the South Carolina State Budget and Control Board to the issuance and sale of the said Bond Anticipation Notes and the Series I Bonds in anticipation of which the said Notes are being issued in accordance with the terms and provisions of this Resolution.

ARTICLE II

ISSUANCE OF NOTES

Section 2.01

Pursuant to Chapter 17, Title 11, Code of Laws of South Carolina, 1976, and for the purpose of raising moneys to defray the cost of the construction of the student and faculty housing facility, heretofore more fully described,



the Board directs that there shall be issued, in anticipation of the issuance and sale of the Bonds, not exceeding \$5,400,000 Bond Anticipation Notes of Clemson University (the Notes).

Section 2.02

The Notes shall be issued in such principal sum as the Vice President for Business and Finance of Clemson University with the approval of the State Treasurer of the State of South Carolina shall determine.

The Notes shall be negotiable in form, shall be in either typewritten or printed form as shall be determined by the Vice President for Business and Finance of Clemson University, in denominations of \$25,000 or in multiples thereof, and shall bear interest, payable at the maturity of the Notes, at the rate named by the purchaser at the sale thereof, and shall be payable at such banking institution as shall be designated by the purchaser thereof. The Notes shall be dated as of the date of their delivery and shall mature at such time as the State Treasurer of the State of South Carolina and the Vice President for Business and Finance of Clemson University shall determine, provided said period shall not be longer than one (1) year from the date of the Notes. The Notes shall not be subject to prepayment.

Section 2.03

The Notes shall be executed in the name of Clemson University by the Chairman of the Board and by the Vice President for Business and Finance of Clemson University,

and its Seal shall be impressed thereon; provided that in the event the Notes are printed, the Notes may be executed by the facsimile signature of either of the said Chairman or Vice President for Business and Finance of Clemson University.

Section 2.04

For the payment of the principal and interest on the Notes herein authorized there shall be pledged the proceeds derived from the sale of the Series I Bonds of Clemson University hereafter to be sold and all proceeds received from the issuance of any refunding bond anticipation notes. The Vice President for Business and Finance of Clemson University shall, and he is hereby directed and authorized to utilize sufficient amount of the proceeds of the Series I Bonds so sold to effect the payment of the principal of and interest on the Notes.

Section 2.05

The Board further irrevocably covenants and agrees to effect the issuance of sufficient Series I Bonds, the issuance of which is duly authorized by this Resolution, on an occasion prior to the maturity of the Notes and in ample time that the proceeds of the Series I Bonds shall be available to effect the payment of the Notes.

Section 2.06

The Notes shall be issued in the form of Exhibit A attached hereto.

Section 2.07

Both the principal of and interest on the Notes shall be exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purposes of general revenue or otherwise, except inheritance, estate or transfer taxes.

Section 2.08

Bids for the sale of the Notes authorized hereby shall be received by the Vice President for Business and Finance for Clemson University from time to time by the said Vice President in such amounts and at such times as he shall determine. Not less than five days prior to the date fixed for the receipt of bids for the sale of Notes, a written notice shall be sent by the said Vice President to such banking and financial institutions as the said Vice President shall determine, requesting bids therefor, and shall be in such form as shall be prescribed by the notice. Upon receipt of bids, the said Vice President shall award the Notes to the bidder offering the lowest rate of interest provided the lowest rate of interest offered does not exceed the rate of 7 1/2%; in the event the lowest rate of interest offered exceeds 7 1/2%, the said Vice President shall obtain the approval of the South Carolina State Budget and Control Board of the rate of interest prior to awarding the Notes. If more than one bidder shall name the same lowest rate of interest, then the Notes shall be awarded to that one of



such bidders as shall offer the greatest premium; PROVIDED, that if it shall happen that tie bids are received, the Notes shall be awarded jointly, and if for any reason bids shall not be awarded pursuant to the provisions of this Section, then the said Vice President shall be, and he is hereby authorized and empowered to negotiate with one or more banking or financial institutions for the sale of the Notes.

Section 2.09

The proceeds derived from the Notes shall be paid to the State Treasurer of the State of South Carolina and shall be applied to the costs incurred or to be incurred by Clemson University as above described; PROVIDED, that the lenders of the moneys borrowed on the Notes shall not be responsible for the proper application of the proceeds of the Notes. Pending the use of the proceeds of the Notes to meet the aforesaid costs, said proceeds shall be invested in investments of the type set forth in Section 6-5-10, Code of Laws of South Carolina, 1976, as amended. All earnings from these investments shall be used to pay the interest due on the Notes or used to defray the costs of the project set forth in Article I hereof.

Section 2.10

No part of the proceeds of any Note issued pursuant hereto shall be invested in such manner as to cause the Note to become an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and

the applicable regulations issued thereunder as in effect on the occasion of the delivery of the Note. The proper officers of the Board shall be and are hereby authorized to render such certifications as may be required to establish that the Note is not and will not become an "arbitrage bond".

### ARTICLE III

#### APPROVAL OF ISSUANCE BY THE

#### SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

##### Section 3.01

A certified copy of this Resolution shall be delivered to the South Carolina State Budget and Control Board and shall serve as the authorization and request to the said State Board that approval be granted to Clemson University in the issuance of the Bond Anticipation Notes authorized hereby and the Bonds in anticipation of the issuance of which the said Notes are being issued.

### ARTICLE IV

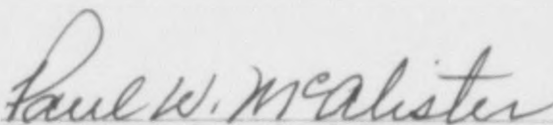
#### FURTHER ACTION

##### Section 4.01

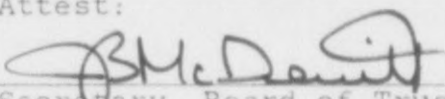
The Chairman of the Board, the Secretary of the Board, the Vice President for Business and Finance of Clemson University, and all other officers of Clemson University, be and they are hereby fully authorized and directed to execute such certificate and other documents as may be necessary in order to effect the sale, issuance and delivery of the Notes.

DONE IN MEETING DULY ASSEMBLED this 16th day of January,  
1981.

(SEAL)

  
Chairman, Board of Trustees  
Clemson University

Attest:

  
Secretary, Board of Trustees  
Clemson University



UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CLEMSON UNIVERSITY  
BOND ANTICIPATION NOTE  
ISSUED PURSUANT TO CHAPTER 17, TITLE 11,  
CODE OF LAWS OF SOUTH CAROLINA, 1976

CLEMSON UNIVERSITY, IN CLEMSON, SOUTH CAROLINA, an institution of higher learning of the State of South Carolina and a body politic and corporate, hereby acknowledges itself indebted, and, for value received, promises to pay to the order of

the sum of \_\_\_\_\_,  
(\$\_\_\_\_\_) Dollars at the principal office of \_\_\_\_\_  
\_\_\_\_\_, in the City \_\_\_\_\_, State of  
\_\_\_\_\_, on the \_\_\_\_\_, and  
to pay interest on said principal sum from the date hereof,  
at the rate of \_\_\_\_\_ per centum  
(\_\_\_\_%) per annum, payable upon the stated maturity of this  
Note. This Note is not subject to prepayment prior to its  
stated maturity.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America, which is, at the time of payment, legal tender for the payment of public and private debts.

13973

THIS NOTE is one of an issue of Bond Anticipation Notes of Clemson University, of like date and tenor, except as to number and denomination, aggregating a sum not exceeding \$5,400,000 issued by Clemson University (Clemson) pursuant to the authorizations of Chapter 17, Title 11, Code of Laws of South Carolina, 1976, in anticipation of the proceeds of an issue of \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I to be issued by Clemson pursuant to the authorizations of Act No. 456 enacted during the 1961 Session of the General Assembly of the State of South Carolina, as amended, and a Resolution duly adopted by the Board of Trustees of Clemson. For the payment of this Note, both principal and interest, the proceeds of the \$5,400,000 Student and Faculty Housing Revenue Bonds, Series I, in anticipation of which this Note is issued, are hereby irrevocably pledged. The full faith, credit and taxing power of the State of South Carolina are not pledged to the payment of this Note.

THIS NOTE and the interest thereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, or to be

performed precedent to or in the issuance of this Note, do exist, have happened and have been performed in regular and due time, form and manner, and that Clemson has irrevocably obligated itself to issue and sell, prior to the stated maturity hereof, in the manner prescribed by law, the Bonds in anticipation of which this Note is issued.

IN WITNESS WHEREOF, CLEMSON UNIVERSITY, has caused these presents to be signed by the manual signatures of the Chairman of the Board of Trustees of Clemson and the Vice President for Business and Finance of Clemson and the Seal of Clemson to be impressed hereon, and this Note to be dated the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Trustees of  
Clemson University, South Carolina

\_\_\_\_\_  
Vice President for Business and Finance  
Clemson University, South Carolina



STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

I, the undersigned, Secretary of the Board of Trustees of Clemson University, the State of South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a Resolution duly adopted by said Board at a regular/~~special~~ meeting, duly called and held on the 16th day of January, 1981, at which meeting, the following, constituting a majority of the membership of said Board were present, and voted unanimously in favor of the adoption thereof: Louis P. Batson, Jr., Robert R. Coker, T. Kenneth Cribb, Fletcher C. Derrick, Jr., William Green DesChamps, Jr., William N. Geiger, Jr., Lewis F. Holmes, Paul W. McAlister (Chr.), Buck Mickel, James C. Self, D. Leslie Tindal, and James M. Waddell, Jr.

That said Resolution was offered by James M. Waddell, Jr., was seconded by Buck Mickel, and unanimously adopted by those present. That the original of said Resolution is duly entered in the permanent records of said Board, in my custody as such Secretary.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of Clemson University, this 16th day of January, 1981.

(SEAL)

  
Secretary

EXHIBIT

JAN 27 1981 NO. 19

13976

STATE BUDGET & CONTROL BOARD

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF January 27, 1981

JAN 27 1981

NO. 20

ITEM NUMBER

15

## STATE BUDGET & CONTROL BOARD

Agency: Clemson University

Subject: Blanket Approval of Federally-Funded Foreign Travel

President Atchley advises that the Textile Department of Clemson has been awarded a project in collaboration with Purdue University under which Clemson is to provide technical advice and assistance in the area of textiles as a part of assistance to aid in the development and strengthening of the University Institute of Beira Interior in Covilha, Portugal. President Atchley indicates that the foreign travel will amount to a total of 30 man-months over the next four years ending August 31, 1984 but that requests for technical consultation may be received on very short notice making it difficult to obtain travel approval in the usual manner.

President Atchley further indicates that the travel expenses and faculty salaries will be covered by the federal grant and that no State-appropriated monies are involved. He indicates that the total cost is \$460,645.

The Board previously, in a somewhat similar situation, granted blanket foreign travel approval to the University of South Carolina in connection with an oil spill project.

Board Action Requested:

Consider

Staff Comment:

Attachments:

Atchley January 6 letter to McInnis

**13977**

# EXHIBIT

JAN 27 1981

JAN 12 1981  
NO. 20



STATE BUDGET & CONTROL BOARD

PRESIDENT

January 6, 1981

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Box 12444  
Columbia, South Carolina 29211

Dear Mr. McInnis:

The Textile Department of Clemson University has been awarded a project in collaboration with Purdue University in fulfilling the agreement between Purdue University and the United States Government as set forth in Prime Contract No. AID/NE-1701. The purpose of this collaboration under the sub-contract agreement is the development and strengthening of the University Institute of Beira Interior in Covilha, Portugal, with Clemson University providing technical advice and assistance in the area of textiles. Specifically, Clemson University staff and administrators will assist Purdue in the overall planning for the evaluation of project activities, including participation in the development of project strategy by serving as short-term staff members of the project in Covilha.

In order to fulfill this commitment, several of the textile faculty will be traveling overseas for a total period of 30 man/months over the next four years ending August 31, 1984. In spite of such long project duration, we have been advised that requests for technical consultation from Portugal may be received within very short notice and it may be difficult to obtain travel approval from you in time. Could we obtain blanket approval from you for the following faculty to travel to Portugal under the above-mentioned grant?

Dr. Evans A. LaRoche, Professor  
Dr. Edward A. Vaughn, Professor  
Dr. Robert H. Barker, Sirrine Professor  
Dr. Hassan M. Behery, Associate Professor  
Dr. Michael J. Drews, Associate Professor  
Dr. John D. Hatcher, Associate Professor  
Dr. Christine W. Jarvis, Assistant Professor  
Professor John H. Marvin  
Professor Edward S. Olson  
Dr. John J. Porter, Professor  
Dr. Broadus L. Rutledge, Associate Professor  
Professor Frederick T. Simon  
Professor Thomas D. Efland, Acting Dean

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# EXHIBIT

JAN 27 1981

NO. 20

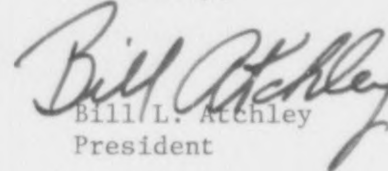
STATE BUDGET & CONTROL BOARD

Page 2  
Mr. William A. McInnis  
January 6, 1981

The travel expenses and the faculty salaries plus 10% for overseas incentive will be covered by the AID Grant; no state-appropriated monies are involved. As previously mentioned, the total travel involvement will be 30 man/months and the duration of the project is from January 1, 1981 through August 31, 1984. The total cost is \$460,645.

We respectfully request blanket approval for the textile faculty herein named to travel to Covilha, Portugal.

Sincerely,

  
Bill L. Atchley  
President

BLA/lm

cc: Dr. W. David Maxwell  
Dean T. D. Efland  
Dr. E. A. Vaughn

13979