

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

November 5, 1986

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

November 5, 1986

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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Deputy Executive Director *WAM*
SUBJECT: Summary of Board Actions at November 5, 1986 Meeting

This listing of actions is not the minutes of the referenced meeting. It is an unofficial (meaning it has not been approved by the Board) summary of the Board actions taken at that meeting. The minutes of the meeting are presented in a separate, much more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Approved the minutes of the October 7 and 21, 1986, Budget and Control Board meetings;
2. Received as information the Local Government report on rural improvement funds expended by the Senate during September which included 22 projects totalling \$227,363 in State grant funds and which indicated that 51 applications involving \$776,998 had been approved during the current fiscal year, that 12 applications totalling \$180,750 are pending, and that the grant funds balance available is \$2,042,252;
3. Received as information the Local Government report on rural improvement funds expended by the House of Representatives during September which included 28 projects totalling \$385,575 in State grant funds and which indicated that 53 applications involving \$734,075 had been approved during the current fiscal year, that 12 applications totalling \$127,750 are pending, and that the grant funds balance available is \$2,138,175;
4. Received as information a Human Resource Management Division report that \$69,399 was paid to the R. E. Harrington firm during 1985-86 and that \$954,502.95 was paid during 1985-86 to the Employment Security Commission for actual unemployment compensation claims;
5. Received as information a report that, in accord with Code Section 9-1-1530 and Board policy, the Division of Human Resource Management approved extensions of employment for six employees during the July-September, 1986, period;

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November 5, 1986 Meeting
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6. Received as information a report that, in accord with Code Section 8-11-40 and Board policy, the Division of Human Resource Management approved the advancement of sick leave for one employee during the July-September, 1986, period;
7. Received as information a report that permanent improvement project actions included on Summary 9-87 (items 12, 13 and 16 involving Parks, Recreation and Tourism and Employment Security Commission) had been reviewed favorably by the Joint Bond Review Committee and approved by staff; and received as information a report that permanent improvement project actions included on Summary 9-87 (items 18 through 31 (involving Medical University, Mental Retardation and Wildlife & Marine Resources) had been approved by staff and Joint Bond Review Committee review is not required;
8. Received as information reports on the reimbursement of interviewee travel expenses by Mental Health (2) and Francis Marion College (3);
9. Received as information a report on actions of the Executive Salary and Performance Evaluation Commission in response to the Board's request of September 16, 1986;
10. Added to the agenda and delayed elimination of 23 FTE DSS MMIS positions until DSS has an opportunity to present the question regarding the future of these positions to the Joint Committee on Personal Service Financing and Budgeting;
11. Upon the recommendation of the Board of Economic Advisors, adopted a revised forecast of general fund revenues for 1986-87 of \$2,680.3 million and adopted a forecast of general fund revenues for 1987-88 of \$2,821.0 million;
12. Asked staff to work with Senator James M. Waddell, Jr., the Tax Study Committee, and others in the State system on the possibility of contracting with the Policy Economic Group consultants to assess the impacts of federal tax reform on South Carolina and on the means of financing such a study and, with Senator Waddell, to present recommendations at the November 18 meeting, after indicating a general intention to support the effort;
13. With regard to the 1986-87 budget, agreed to restrict the rate of expenditure by State agencies and institutions of 1986-87 appropriations by escrowing 2.6% of the amounts appropriated, after exempting \$319,301,251 of appropriations;

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14. With regard to the 1987-88 budget:
 - (a) Approved a \$7,675,000 revenue enhancement to bring projected revenue to \$2,828,676,877;
 - (b) Exempted the Education Finance Act from the base reduction applicable to other non-exempted agencies and institutions so as to fully fund it;
 - (c) Stated that a proposed 3% pay increase for State employees would be delayed until January of 1988, after agreeing to explore all possible means of providing the funds to make that pay increase effective in July of 1987 and to urge the General Assembly to do likewise;
 - (d) Agreed that a base reduction of between 4.7% and 4.9% would be necessary after exempting certain agencies and institutions;
 - (e) To expedite the printing process, approved the recommended budget, with funding for the Capital Expenditure Fund set at \$1,000,000, after agreeing to consider any amendment to it at the November 18 meeting; and
 - (f) Approved additional FTE positions as follows: 875.60 State; 128.50 federal; and 642.73 other;
15. Adopted a Resolution to ensure that the Board will do what is necessary to ensure that insurable legal title to two parcels in the Carolina Research Park is transferred by the State of South Carolina to the purchasers;
16. Authorized the transfer of \$98,000 appropriated general funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College;
17. Allocated \$17,466 from the Civil Contingent Fund to the Board of Registration for Geologists for agency start-up costs;
18. Allocated \$184.69 from the Civil Contingent Fund to the Interim Study Committee on Hunger and Nutrition to pay printing costs;
19. Granted preliminary approval to the issuance and sale of \$50,000,000 of State Housing Authority Homeownership Bonds and approved an allocation of \$50,000,000 of the State Ceiling for such bonds;
20. Deferred action on the State Housing Authority's request for an allocation of \$100,000,000 of the State Ceiling and agreed to allocate to the Authority for carryforward whatever balance of the State Ceiling is not requested by other issuing authorities;
21. Adopted resolutions approving the following proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results: (a) Greenville County, \$180,000 Industrial Revenue Bonds on behalf of Hart-Greenville project; (b) Charleston County, \$30,000,000 Hospital Facilities Revenue Parity Bonds on behalf of the Roper Hospital project; and (c) Greenville County, \$8,100,000 Hospital

- Revenue Bonds on behalf of the Chestnut Hill Mental Health Center;
allocated \$180,000 of the State Ceiling to the Hart-Greenville project and
\$6,000,000 to the Chestnut Hill Mental Health Center project; and received
as information the status report on the State Ceiling;
22. Reinstated State ceiling allocations to the following Family Farm
Development projects: (a) Frank M. Senn, Sr., \$240,000; (b) Barbara Ann
Senn, \$250,000; (c) Sandra K. Senn, \$250,000; and (d) James Earle Bozard,
\$190,000;
 23. Approved the travel of College of Charleston staff member Gary W. Harrison
to Trieste, Italy during the December 6 - 14, 1986, period;
 24. Agreed to hold a regular meeting at 10 a.m. on Tuesday, November 18, 1986,
in the Governor's conference room in the State House; and
 25. Denied a Department of Health and Environmental Control request to appeal
to the Court of Common Pleas the decision of the Employee Grievance
Committee in the Pamela Smith case.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

NOVEMBER 5, 1986

2 P. M.

The Budget and Control Board met at 2 p.m. on Wednesday, November 5, 1986, in 148 Dennis Office Building with the following members in attendance:

Governor Richard W. Riley, Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator Rembert C. Dennis, Chairman, Senate Finance Committee;
Representative T. W. Edwards, Jr., Acting Chairman, House Ways and Means Committee.

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
E. A. Laurent, Ph.D.	Deputy Executive Director
J. Samuel Griswold, Ph.D.	Deputy Executive Director
Katherine M. Hepfer	Governor's Executive Assistant
Joseph A. Wilson, II	Chief Deputy Attorney General
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

Minutes of Previous Meeting (Regular #1)

Board members previously had been furnished draft versions of the minutes of the October 7 and 21, 1986, meetings.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the referenced minutes as written.

Blue Agenda

Following a review by Dr. Coles of the items included, upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board approved all items on the blue agenda.

Blue agenda items are identified as such in these minutes.

Local Government: Expenditures during September (Senate) (Blue Agenda #1)

The Board received as information the Local Government report on rural improvement funds expended by the Senate during September which included 22 projects totalling \$227,363 in State grant funds and which indicated that 51 applications involving \$776,998 had been approved during the current fiscal year, that 12 applications totalling \$180,750 are pending, and that the grant funds balance available is \$2,042,252.

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

Local Government: Expenditures during September (House) (Blue #2)

The Board received as information the Local Government report on rural improvement funds expended by the House of Representatives during September which included 28 projects totalling \$385,575 in State grant funds and which indicated that 53 applications involving \$734,075 had been approved during the current fiscal year, that 12 applications totalling \$127,750 are pending, and that the grant funds balance available is \$2,138,175.

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

Human Resource Management: Unemployment Compensation Costs (Blue #3)

The Division of Human Resource Management advised that, in accord with Section 16 of the 1986-87 Appropriations Act, it has submitted to the General Assembly a report on the amounts paid to management firms assisting in the administration of the unemployment compensation program for State employees.

The report indicates that \$69,399 was paid to the R. E. Harrington firm during 1985-86. It also shows that \$954,502.95 was paid during 1985-86 to the Employment Security Commission for actual unemployment compensation claims.

The Board received as information a Human Resource Management Division report that \$69,399 was paid to the R. E. Harrington firm during 1985-86 and that \$954,502.95 was paid during 1985-86 to the Employment Security Commission for actual unemployment compensation claims.

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

Human Resource Management: Extensions of Employment, July-September (B4)

The Board received as information a report that, in accord with Code Section 9-1-1530 and Board policy, the Division of Human Resource Management approved extensions of employment for six employees during the July-September, 1986, period. The six are: (1) Watson B. McCaskill, Wildlife and Marine Resources; (2) Fannie Mae Agnew, MUSC; (3) Dr. Kelly T. McKee, MUSC; (4)

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Alvena P. Mullen, MUSC; (5) Col. George Pechilis, Auctioneers Commission; and (6) Marion Preacher, USC.

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

Human Resource Management: Sick Leave Advancement, July-September (B#5)

The Board received as information a report that, in accord with Code Section 8-11-40 and Board policy, the Division of Human Resource Management approved the advancement of sick leave for one employee during the July-September, 1986, period. The individual involved is David Lawrence, State Board for Technical and Comprehensive Education, to whom ten days were advanced.

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

Executive Director: Permanent Improvement Projects (Blue Agenda #6)

The Board received as information a report that permanent improvement project actions included on Summary 9-87 (items 12, 13 and 16 involving Parks, Recreation and Tourism and Employment Security Commission) had been reviewed favorably by the Joint Bond Review Committee and approved by staff; and received as information a report that permanent improvement project actions included on Summary 9-87 (items 18 through 31 (involving Medical University, Mental Retardation and Wildlife & Marine Resources) had been approved by staff and that Joint Bond Review Committee review is not required.

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

Executive Director: Interviewee Travel Expense Reimbursement (Blue #7)

The Board received as information reports on the reimbursement of interviewee travel expenses by Mental Health (2) and Francis Marion College (3).

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

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Executive Salary/Performance Evaluation Com.: 9/17/86 Actions (Blue #8)

The Executive Salary and Performance Evaluation Commission advised the Board that, as a follow-up to the Board's September 16 request that the Commission to consider the uncertain revenue situation in its deliberations on agency head salaries, at its September 17, 1986, meeting, it had voted to:

- (1) adopt the salary ranges recommended in the Hay Study, effective October 1, 1986;
- (2) award the three percent general increase October 1, 1986;
- (3) adopt the average 5% performance increase plan but defer awarding those increases until more information regarding State revenues is available; and
- (4) adopt the "to minimum" increase plan but defer awarding these increases until more information on State revenues is available.

The Board received as information the report on actions of the Executive Salary and Performance Evaluation Commission in response to the Board's request of September 16, 1986.

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

Additions to Regular Session Agenda

Dr. Coles advised that two items had been proposed for addition to the present regular session agenda, one a Department of Social Services request that the Board defer action on 23 FTE MMIS positions until the Joint Legislative Committee on Personal Service Financing and Budgeting has considered them, and one a Tax Study Committee request to hire a consultant to assess impacts of federal tax reform.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board agreed to add to the agenda the DSS request.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board agreed to add to the agenda the Tax Study Committee request and to consider it later during the meeting.

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Social Services: Retention of 23 MMIS FTE Positions (Addendum)

At the September 23, 1986, Board meeting, the Board approved the transfer of 14 Medicaid Management Information System FTE positions and associated funding from DSS to the Health and Human Services Finance Commission.

It was noted then that 70 positions were involved initially and that they have been handled as follows:

- 70 positions initially
- (8) still at Clemson
- (25) shifted to HHSFC previously
- (14) in the 9/23 request

23 remaining then

When the transfer was approved, the Board action included a provision for abolishing these 23 remaining positions as of the November 5, 1986, meeting. That period was allowed to give DSS time to pursue the fate of the 23 positions with the Joint Committee on Personal Service Financing and Budgeting.

DSS advised that the Joint Committee is not scheduled to meet until after the deadline. Commissioner Solomon asked the Board to extend the deadline for dealing with these positions until after the Joint Committee meets.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board delayed elimination of 23 FTE DSS MMIS positions until DSS has an opportunity to present the question regarding the future of these positions to the Joint Committee on Personal Service Financing and Budgeting.

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

Board of Economic Advisors: Revenue Forecasts (Regular #2)

Appearing before the Board on this matter were Board of Economic Advisors Chairman James A. Morris and members Barbara Feinn, Hunter Howard, who joined the Board as Chairman of the Tax Commission on October 13, and Bobby Bowers.

Dr. Morris, after noting that essentially there is nothing new to report which was not reported in the November 1 report released last Friday, read the following statement:

The report of November 1, 1986, of the Board of Economic Advisors estimated that General Fund Revenues in FY 1987-88

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would be \$2821.0 million. At the same time a revised estimated was issued for FY 1986-87 of \$2680.3 million.

Both estimates are based on projections of modest and uneven real growth in the national and State economies, with a gradual rise in prices, during the 20-month time period involved. There is a small probability of a recession in the first quarter of 1987 based on negative short-term effects of the tax reform bill, a possible slowdown in consumer spending and a lack of vigor in investment spending. A much higher probability exists, however, for continued positive growth, with personal income in the State rising by 5 - 5.5 percent this fiscal year and by 6 - 6.5 percent during FY 1987-88. It is assumed that a truly significant reduction in the federal deficit is unlikely but that the foreign trade balance will improve, with higher exports of manufactured and agricultural products. Growth in the service sector, with accompanying effects on employment, should continue at a reduced pace.

Revenues will rise generally with personal income with the pace and rate of collections affected by changes in law and administrative rulings. FY 1986-87 revenues have been revised downward by \$87.4 million, counting the \$10.3 million veto by the Governor. The effect on the budget is less than this amount because of the reserve contained in the appropriations bill and anticipated lapses.

Fiscal Year 1987-88 revenues are based on expected positive changes in personal income, but also reflect expected reductions in growth of some revenue items. The estimate is realistic and conservative, based on present expectations of the course of the national and State economies during the fiscal year. Because of the many uncertainties in the national and State economic outlook, prudence in expenditures is recommended.

Dr. Morris then requested Board approval of the estimates presented for the two fiscal years. He advised Mr. Patterson that an inflation rate of up to 3% is expected during the current fiscal year and that a rate of up to 4% is expected next year. He also told Mr. Patterson that he is figuring that the price of oil will increase to \$18 per barrel as compared with the current \$14 level, after noting that the national consensus is that it will range between \$18 and \$21.

In response to Mr. Edwards' question on the probability of a recession in the first quarter, he advised that there is a 60% probability of continued growth but at a diminished rate and he pointed out that improving the balance of trade is a key factor.

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Dr. Morris observed that the Board of Economic Advisors had never massaged the data at it had for these estimates and he expressed great confidence that they represent the highest probability of what will happen.

Mr. Morris said that it ought to be noted that the estimates of the Board of Economic Advisors for last year were right on target. He also noted the several actions of the General Assembly such as the repeal of the merchants inventory tax and the cap on the sales tax have cost more loss in revenues than was expected. He stated that the shortfall problems are not the result of estimates by the Board of Economic Advisors and that criticism of that Board is not deserved.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board, upon the recommendation of the Board of Economic Advisors, adopted a revised forecast of general fund revenues for 1986-87 of \$2,680.3 million and adopted a forecast of general fund revenues for 1987-88 of \$2,821.0 million.

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

Tax Commission: Response to Audit Council Report (Addendum)

Governor Riley then invited Mr. Howard if he would like to express himself on the recently-released Legislative Audit Council report to make clear where the so-called missing \$99 million came from.

In response, Mr. Howard expressed appreciation to the Governor for asking the question and noted that the Tax Commission had initiated a study by Dr. Marchand of USC which was published in 1984. He recalled that the study had said if the Tax Commission would take a number of actions, including revising its computer programs, conforming to the federal tax code, and a number of others, that an additional \$99 million in revenue could be generated by 1991. Governor Riley recalled that Tax Commission representatives had brought a big check to the budget presentation that year to dramatize the possibilities outlined in the study. Mr. Howard cited "enforced collections" as an area where the Commission is doing a better job with those revenues having increased from \$27 million to \$82 million since he had been in office.

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Tax Study Committee: Consultant Study of Tax Reform Impact (Addendum)

Senator James M. Waddell, Jr., appeared before the Board on this matter.

He urged the Board to join with the Tax Commission and the Tax Study Committee in a study of the impacts of federal tax reform on South Carolins. He suggested that the consulting firm, Policy Economic Group (PEG), be contracted with to perform this analysis using actual South Carolina figures. He stated that low, medium and high ranges could be estimated over the next five years. He noted that the recommended consultants have done similar work in eighteen states with four others now in process. He said that his staff had contacted the chairmen of study groups in four states and that no negative reports on the work of the PEG firm's work had been received.

Senator Waddell stated that the PEG firm is not a fly-by-night group and, instead, is one which had done work for the U. S. Treasury. He noted the possibility of getting the computer program put on a Tax Commission computer. He estimated the cost of the consultant work at about \$80,000 which he said the Tax Study Committee does not have. Senator Waddell stated that the Tax Commission agrees on the need for someone from the outside to look at this question and he noted that the Tax Commission has some funds in a warrant revolving fund which may be available for the study. He estimated that the work would take between four and six weeks which would put its availability near the beginning of the session.

Governor Riley asked staff to look into the matter and come back with a recommendation within two weeks. Senator Waddell said he would have additional information in that time and that, while no crisis is now faced one is approaching. Senator Waddell also expressed the view, in response to Mr. Patterson's inquiry, that we do not have the capability to do this work internally.

Mr. Morris expressed the view that this effort should not have to wait another two weeks, another two days or another two minutes. He recalled that he had gotten various documents on the expected impacts of the federal legislation and had asked for a State effort to examine the effects. He said he saw no reason to delay further to obtain the information which already should be on our desks. He said we had fooled around with the question long enough.

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Mr. Morris then moved that the Board authorize the study to proceed. Governor Riley again urged that Senator Waddell come back at the November 18 Board meeting after working with staff and others in the State system to present a package, after expressing the view that the apparent general feeling of the Board is that it will go along with the idea.

Upon a motion by Mr. Morris, the Board asked staff to work with Senator James M. Waddell, Jr., the Tax Study Committee, and others in the State system on the possibility of contracting with the Policy Economic Group consultants to assess the impacts of federal tax reform on South Carolina and on the means of financing such a study and, with Senator Waddell, to present recommendations at the November 18 meeting, after indicating a general intention to support the effort.

Budget Division: 1986-87 Revenue Status; 1987-88 Budget (Reg. #3, #4)

Budget Division Director A. Baron Holmes, IV, appeared before the Board on this matter.

Dr. Holmes said at the outset that he had a tough message for the Board since sad information is to be presented on both fiscal years 1986-87 and 1987-88. He thanked his staff for getting the Division's recommendations together under trying conditions, noting that they had received the Board of Economic Advisors' revenue projections only last Friday like everyone else.

Dr. Holmes then reviewed how the State got into the present situation, calling attention to various tax reductions enacted by the General Assembly and to the courageous effort to get on a pay-as-you-go basis on capital projects in the adoption of the capital expenditure fund.

Mr. Morris observed that some \$41 million off the top goes to the capital expenditure fund which will reach \$70 million in a couple of year.

Mr. Patterson said the State simply cannot afford a capital expenditure fund in the face of great regular operating needs.

Mr. Morris said that one reserve fund is enough, after noting that next year the State could have \$225 million in savings which he characterized as absurd.

Governor Riley suggested that the Board recommend that lapsed funds at the end of this fiscal year be placed in the capital expenditure fund with the proviso that it be used first to cover any shortfall.

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Mr. Patterson emphasized that he fully supports the reserve fund mandated by the constitution and that his criticisms are directed at the so-called rolling reserve or capital expenditure fund.

Dr. Holmes then focused on the 1986-87 situation. He pointed out that the revised revenue projection for 1986-87 is \$2,680,293,670. After providing for the reserve fund contribution of \$6,606,483, he noted that the available revenue is \$2,673,687,187. Dr. Holmes' analysis then showed authorized expenditures in the Appropriations Act, after Governor Riley's vetoes, of \$2,761,121,639, a figure which exceeded available revenue by \$87,434,452. He then showed the application of the Capital Expenditure Fund of \$27,714,661 against the \$87,434,452, leaving a shortfall of \$59,719,661.

Dr. Holmes then recommended a 2.6% cut to accommodate the shortfall. He pointed out that funds from lapsed appropriations have not been anticipated but he said that they could be included after the Board of Economic Advisors December 31 report on revenue projections. He said that the reductions would be escrowed within agency accounts so the funds would be where they could be put back if the revenue situation improves. He called attention to a \$2.8 million cushion which would exist if the 2.6% reduction is approved which he said probably would be needed for the TEC Special Schools and Mental Retardation, two agencies with particular problems.

Dr. Holmes then called attention to the \$319,301,251 of exemptions recommended. Included were half exemptions for Mental Health, Mental Retardation, Corrections, and Youth Services. The salaries and benefits of legislative and local officials, contractual obligations and certain small agencies were also recommended for exemption.

Mr. Morris moved that the Board approve the recommended 2.6% budget cut. Dr. Coles noted that staff recommends that the Board handle this matter as it did last year when it restricted the rate of expenditure of appropriated funds by agencies and institutions and put the funds involved in escrow accounts within each agency. Mr. Morris agreed to amend his motion in accord with Dr. Coles' comments.

The motion by Mr. Morris was seconded by Mr. Patterson and the Board, with regard to the 1986-87 budget, agreed to restrict the rate of expenditure by State agencies and institutions of 1986-87 appropriations by escrowing 2.6% of the amounts appropriated, after exempting \$319,301,251 of appropriations.

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With regard to the recommended budget for 1987-88, Dr. Holmes observed that the revenue projection is for \$2.821 billion which, compared against the revised projection for 1986-87 (\$2.680 billion), represents a growth of \$141.3 million to which he added \$7.7 million expected to result from the enhancements by the Tax Commission for a total increase of \$149 million or 5.6%.

Dr. Holmes then identified \$212.2 million of new expenditure major commitments against which he identified net new revenue over the 1986-87 base expenditure of \$66.2 million and a \$7.7 million revenue enhancement. His budget overview also showed the application of the Capital Expenditure Fund of \$42.3 million to bring the "shortfall" to \$96 million. He said that a \$96 million shortfall yields a 4% across-the-board cut with minimum exemptions. He also noted that not applying the \$42.3 million Capital Expenditure Fund in this way would mean a \$138 million shortfall or a 5.7% across-the-board cut with minimum exemptions.

Comment was made about the effect of not fully funding the Education Finance Act and Dr. Holmes said that the requirement simply migrates over to the Education Improvement Act. Rep. McLellan, from the audience, observed that locals would have to adjust millage rates to make up the difference. Governor Riley expressed the view that the Board ought to give quality education a priority place in the budget.

Dr. Holmes observed that the two major policy decisions involved in decisions on the 1987-88 budget relate to the funding of the Capital Expenditure Fund and the Education Finance Act.

Governor Riley then respectfully submitted that education ought to be given a priority position in the budget for 1987-88. He pointed out that teachers and students are working harder as a result of the recent emphasis on quality education in the State and that effort had helped with industrial development. He said that the Board and the State ought to commit to quality education in good economic times and in bad economic times. He said that the proper thing to do would be to start the budget for 1987-88 by fully funding the Education Finance Act (EFA). He said to do otherwise is not an option and noted that the recent Statewide election had candidates for governor and lieutenant governor saying that quality education is top priority. He likened

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the election to a citizen poll and he asked the Board to make the bold decision to fully fund the EPA.

Mr. Patterson observed that all of the Board agree with Governor Riley on the progress made on education and its primary importance but he said the proposal which calls for delaying by six months the State employee pay increase bothers him.

Mr. Edwards expressed agreement with Governor Riley but he also said he was very, very concerned about the costs of the EIA and he urged that efforts be made to let the people know what that program is going to cost. He noted that the EPA exemption affects many other agencies and he expressed reluctance to make a decision now on exempting the EPA in the 1987-88 budget.

Governor Riley noted that the portion of the general fund going to education is shrinking. He said all the talk about education being priority is fine but it is now commitment time. He also said to turn back on education now would be the worst mistake we could make and that it would send the terrible signal that we won't go down the line for education.

Mr. Morris noted that nobody disagrees with the Governor on the priority role of education but he said that we need to say here and now that the extra penny will not maintain teacher pay at the southeast average and that an alternative is needed for capital improvements in the EIA. He expressed concern that the State has been balancing education improvement on the backs of State employees for a long time. He expressed the feeling that the EPA could be funded fully and that employee pay increases would not have to be deferred. He suggested using lapsed funds after noting that lapses between 1981-82 and 1985-86 had been \$18 million, \$23 million, \$31 million, \$32 million and \$22 million, respectively. He suggested that employee pay increases not be delayed.

Governor Riley noted that Mr. Morris' proposal, in effect, would be funding the EPA with non-recurring funds.

Dr. Coles pointed out that the budget cuts this year will tend to erode lapses and, in some cases, may cause reductions-in-force. He also noted that the State had gotten into this problem over a period of several years and that it will take several to get out of it.

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Senator Dennis noted that, in facing the education issue, the Board here is confronted with one of the greatest issues of the day--the burning issue brought into focus by Governor Riley. He expressed the view that the people are committed to full support of the EIA program as passed by the General Assembly. He said that some ups and downs are just part of the system. He stated that the issue is to retreat to some degree or to commit to fully fund the program and that any retreat now would be misinterpreted. He said that the question comes down to two issues: exempt the EPA from cuts and, if that is done, how it is to be funded.

Upon a motion by Senator Dennis, seconded by Mr. Patterson and Mr. Morris, the Board, with regard to the 1987-88 budget:

- (a) Approved a \$7,675,000 revenue enhancement to bring projected revenue to \$2,828,676,877;
- (b) Exempted the Education Finance Act from the base reduction applicable to other non-exempted agencies and institutions so as to fully fund it; and
- (c) Stated that a proposed 3% pay increase for State employees would be delayed until January of 1988, after agreeing to explore all possible means of providing the funds to make that pay increase effective in July of 1987 and to urge the General Assembly to do likewise.

Upon a motion by Governor Riley, seconded by Senator Dennis, the Board agreed that a base reduction of between 4.7% and 4.9% would be necessary after exempting certain agencies and institutions.

Mr. Patterson moved that the Capital Expenditure Fund not be funded, and his motion was seconded by Mr. Morris. The motion was not voted on.

Following further discussion, upon a motion by Governor Riley, seconded by Senator Dennis, the Board, to expedite the printing process, approved the recommended budget, with funding for the Capital Expenditure Fund set at \$1,000,000, after agreeing to consider any amendment to it at the November 18 meeting.

Mr. Patterson suggested that funding for the Capital Expenditure Fund be set at zero.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved additional FTE positions as follows: 875.60 State; 128.50 federal; and 642.73 other.

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

Research Authority: Transfer of Two Parcels in Carolina Research Park (R5)

The Board was advised that Research Authority attorney George Wolfe has submitted a draft Board Resolution relating to the transfer by the South Carolina Research Authority of two parcels in the Carolina Research Park. The purchasers are Soils & Materials Engineers, Inc., and Compusystems, Inc.

Mr. Wolfe advised by letter that the Authority's test case has been decided by the trial court and has been appealed to the Supreme Court, which has not yet handed down its decision.

He also advised that the title insurance company is concerned that, until the Court hands down a final decision, there is a possibility that the trial court decision could be reversed and the Research Authority or its power to convey property could be declared unconstitutional. Mr. Wolfe's letter indicated that the company has requested that the Authority obtain from the Board a Resolution to ensure that, if necessary, the Board would do what is necessary to ensure that insurable legal title to the two parcels in the Carolina Research Park is transferred by the State of South Carolina to the purchasers.

The Board was advised that staff had modified the action part of the proposed resolution to say that the Board, at the request of the Authority, will do what is necessary to ensure that insurable legal title to the properties involved in two contracts of sale is transferred.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted a Resolution to ensure that the Board will do what is necessary to ensure that insurable legal title to two parcels in the Carolina Research Park is transferred by the State of South Carolina to the purchasers.

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

Budget Division: Transfer Request (Winthrop) (Regular #6)

The Budget Division requested authorization to transfer \$98,000 appropriated general funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College.

C4547

The Division advised that the Committee now has established its 1986-87 budget and it has organized its operations for the year under its Director who will be employed by Winthrop College beginning December 1, 1986. The College will coordinate and support the administration of the Subcommittee.

The Division advised that it and Winthrop College President Piper have agreed that this transfer should be accomplished.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board authorized the transfer of \$98,000 appropriated general funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College.

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

Budget Division: Civil Contingent Fund Allocation (Geologists) (Reg. #7)

The Budget Division advised that the State Board of Registration for Geologists was created by Act 507 of 1986, but that no funds were appropriated to permit the agency to carry out required duties and responsibilities.

The Board of Registration for Geologists has requested a \$17,466 Civil Contingent Fund allocation to fund 1986-87 start-up costs. Funds for 1987-88 will be requested through the Ways and Means Committee.

The Budget Division recommended approval of the request.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board allocated \$17,466 from the Civil Contingent Fund to the Board of Registration for Geologists for agency start-up costs.

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

Executive Director: Civil Contingent Fund (Committee on Hunger/Nutrition)

The Interim Study Committee on Hunger and Nutrition requested an additional \$184.69 Civil Contingent Fund allocation to pay printing costs.

On July 29, the Board allocated \$2,501 to cover the cost of printing the Committee's report. Actual printing expenses totalled \$2,685.69.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board allocated \$184.69 from the Civil Contingent Fund to the Interim Study Committee on Hunger and Nutrition to pay printing costs.

Minutes of State Budget and Control Board Meeting
Regular Session -- November 5, 1986 -- Page 16

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

Housing Authority: Homeownership Mortgage Bonds; Ceiling Allocation (R9)

Board Secretary/Executive Director William A. McInnis appeared before the Board on this matter.

The Board was advised that the Housing Authority is seeking preliminary Board approval of the issuance and sale of its 1986 Series A Bonds in an amount estimated to be \$50,000,000. The preliminary approval is subject to final Board approval of:

- (a) all information required by Section 31-13-220;
- (b) true interest cost of the Bonds such that loans at an interest rate not to exceed 8.5% may be purchased at a discount not exceeding two points, subject to the State Treasurer's approval;
- (c) the form and substance of a Supplemental Resolution;
- (d) the terms and conditions of the Contract of Purchase between the Authority and the Underwriters; and
- (e) the Preliminary and Final Official Statements.

The Board was advised that the \$50,000,000 State Ceiling allocation request is the first by the Housing Authority and that it is necessary because of the Tax Reform Act of 1986.

Mr. McInnis called the Board's attention to the State Ceiling status report which he said showed a balance of about \$114 million would remain unallocated if the Board were to approve everything requested at today's meeting, including the \$50 million requested by the Housing Authority. He also assured Mr. Patterson that the staff recommendation was that the Board agree to allocate to the State Housing Authority whatever of the State Ceiling might not be requested by other issuing authorities.

Upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board granted preliminary approval to the issuance and sale of \$50,000,000 of State Housing Authority Homeownership Bonds and approved an allocation of \$50,000,000 of the State Ceiling for such bonds.

**Minutes of State Budget and Control Board Meeting
Regular Session -- November 5, 1986 -- Page 17**

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

State Housing Authority: \$100,000,000 State Ceiling Allocation (Reg #10)

Board Secretary/Executive Director William A. McInnis appeared before the Board on this matter.

Mr. McInnis advised that the Housing Authority, in addition to the \$50,000,000 allocation requested for the issue proposed to be made in 1986, is asking for a State Ceiling allocation of \$100,000,000. If approved the Authority proposes to carry the allocation forward for issue in 1987.

Staff recommended that the Board defer action on this request until December. Staff also recommended that the Board agree to allocate to the Housing Authority whatever balance of the State Ceiling is not requested by other issuing authorities.

Upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board deferred action on the State Housing Authority's request for an allocation of \$100,000,000 of the State Ceiling and agreed to allocate to the Authority for carryforward whatever balance of the State Ceiling is not requested by other issuing authorities.

Mr. McInnis again assured Mr. Patterson that the staff recommendation is that action on the Housing Authority request for an allocation of \$100 million of the State Ceiling for carryforward purposes be carried over and that the Board agree to allocate to the Authority the balance of the 1986 State Ceiling not requested by other issuing authorities for use in 1986.

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

Executive Director: Private Activity Bonds; Ceiling Allocations (Reg #11)

Board Secretary/Executive Director William A. McInnis appeared before the Board on this matter.

He advised that the required reviews on the following local government proposals to issue revenue bonds have not yet been completed and asked that they be given conditional approval.

04550

Minutes of State Budget and Control Board Meeting
Regular Session -- November 5, 1986 -- Page 18

He advised that each of the projects requires approval under State law and that an allocation of a portion of the Ceiling is requested for items (a) and (c).

- (a) Issuing Authority: Greenville County
Amount of Issue: \$180,000 Industrial Revenue Bond
Name of Project: Hart-Greenville
Employment Impact: approximately 75 upon completion
Project Description: Completion of light manufacturing, distribution and warehousing facility (including offices)

(Exhibit 18)

- (b) Issuing Authority: Charleston County
Amount of Issue: \$30,000,000 Hospital Facilities Revenue Parity Bonds
Name of Project: Roper Hospital
Project Description: New wing containing patient beds and ancillary facilities; renovations/additions to existing facilities

(Exhibit 19)

- (c) Issuing Authority: Greenville County
Amount of Issue: \$8,100,000 Hospital Revenue Bonds
Name of Project: Chestnut Hill Mental Health Center
Project Description: Addition to facilities \$6,000,000 (allocation); refunding \$2,100,000

(Exhibit 20)

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted resolutions approving the following proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results:

(a) Greenville County, \$180,000 Industrial Revenue Bonds on behalf of Hart-Greenville project; (b) Charleston County, \$30,000,000 Hospital Facilities Revenue Parity Bonds on behalf of the Roper Hospital project; and (c) Greenville County, \$8,100,000 Hospital Revenue Bonds on behalf of the Chestnut Hill Mental Health Center; allocated \$180,000 of the State Ceiling to the Hart-Greenville project and \$6,000,000 to the Chestnut Hill Mental Health Center project; and received as information the status report on the State Ceiling.

Information relating to this matter has been retained in these files and is identified as Exhibits 18 through 20, respectively.

04551

Family Farm Development Authority: Ceiling Allocations (Regular #12)

Board Secretary/Executive Director William A. McInnis appeared before the Board on this matter.

He advised that Family Farm Development Authority bond attorney Daniel R. McLeod, Jr., had requested by letter that the State ceiling allocations for the following bonds be reinstated. The original allocations were approved on July 15 and expired October 13.

- (a) Frank M. Senn, Sr. \$240,000
- (b) Barbara Ann Senn \$250,000
- (c) Sandra K. Senn \$250,000

Mr. McLeod advised that the details for closing are being negotiated. He also advises that the terms and provisions relating to the issues have not changed.

Family Farm Development Authority Director of Bonds Charlie I. Crews requested by letter that the \$190,000 ceiling allocation (approved by the Board on May 27 and which expired August 27) for the James Earle Bozard project be reinstated.

Mr. Crews advised that the only change has been the inclusion of a 12% cap on the interest rate.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board reinstated State ceiling allocations to the following Family Farm Development projects: (a) Frank M. Senn, Sr., \$240,000; (b) Barbara Ann Senn, \$250,000; (c) Sandra K. Senn, \$250,000; and (d) James Earle Bozard, \$190,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

College of Charleston: Foreign Travel (Regular #13)

The College of Charleston requested approval of the travel of Gary W. Harrison to Trieste, Italy during the December 6 - 14, 1986, period to present a lecture at the second autumn course on mathematical ecology at the International Center for Theoretical Physics. The total estimated cost of the travel is \$1,060 and will be paid from State funds.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the travel of College of Charleston staff member Gary W. Harrison to Trieste, Italy during the December 6 - 14, 1986, period.

04552

Minutes of State Budget and Control Board Meeting
Regular Session -- November 5, 1986 -- Page 20

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

Budget and Control Board: Future Meeting (Regular Session #14)

The Board agreed to hold a regular meeting at 10 a.m. on Tuesday, November 18, 1986, in the Governor's conference room in the State House.

Human Resource Management: Grievance Committee Decision Appeal (DHEC) (X1)

The Board without objection agreed to consider this item in regular session rather than in executive session.

The Division of Human Resource Management advised that the Department of Health and Environmental Control has requested authorization to appeal to the Court of Common Pleas the decision of the State Employee Grievance Committee in the Pamela Smith case.

The Division recommended that the Department not be allowed to appeal based on the Division's review of the decision and on the advice of the Attorney General's Office.

Upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board denied a Department of Health and Environmental Control request to appeal to the Court of Common Pleas the decision of the Employee Grievance Committee in the Pamela Smith case.

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

Adjournment

Upon a motion by Mr. Patterson, the meeting was adjourned at 5 p.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 4 p.m. on Friday, October 31, 1986.]

04553

EXHIBIT

NOV 5 1986

NO. 1

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD

BLUE AGENDA

ITEM NUMBER

1

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Expenditures during September (Senate)

Projects included:	22
Total expenditure	
State grant funds:	\$227,363
Applications approved	
during current fiscal year:	51 involving \$776,998
Applications pending:	12 involving \$180,750
Grant fund balance available:	\$2,042,252

BOARD ACTION REQUESTED:

Receive as information the Local Government report on rural improvement funds expended by the Senate during September which includes 22 projects totalling \$227,363 in State grant funds and which indicates that 51 applications involving \$776,998 have been approved during the current fiscal year, that 12 applications totalling \$180,750 are pending, and that the grant funds balance available is \$2,042,252.

ATTACHMENTS:

Agenda item worksheet plus attachments.

04554

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature:

M. A. Bullock

2. Subject: Rural Improvement expenditures by the Senate for
September 1986

3. Summary Background Information:

The referenced report includes 22 projects involving a total expenditure of \$ 227,363 in Rural Improvement Funds. This report shows that 51 applications involving \$ 776,998 have been approved during the current fiscal year and that 12 applications totaling \$ 180,750 are pending. At this point there is a balance of \$ 2,042,252 available in grant funds.

EXHIBIT

NOV 5 1986

NO. 1

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached report

04555

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL DEVELOPMENT FUNDS

REPORT OF November 5, 1986

Balance Available for Grants	2,042,252
Approved To Date	51 776,998
Disapproved To Date	
Pending	12 180,750

(Above Figures Include Items In This Report)

Expenditures by the Senate for the period September 1 through September 30

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Total			
1. Union County Courthouse Union, SC 29379	8/27/86	12,421	----	----	9/9/86	6,200	Completion of a water line to provide service to the Goshen Hill community
2. Town of Carlisle P.O. Box 305 Carlisle, SC 29031	5/5/86	25,000	----	8,000 ^a 18,000 ^b	9/9/86	12,500	Construction of a recreation facility
3. Anderson County P.O. Box 4046 Anderson, SC 29622	8/25/86	18,019	----	----	9/9/86	9,000	Installation of a water line along Cherokee Road (S-4-75) to provide a dependable source of water
4. Dorchester County P.O. Box 416 St. George, SC 29477	8/19/86	1,988	----	----	9/11/86	1,988	Replacement of two A/C units in the Four Holes Indian Community Center
5. Clarendon County Courthouse Manning, SC 29102	7/7/86	30,000	----	----	9/11/86	12,500	Renovation of existing office space
6. Sumter County Courthouse Sumter, SC 29150	4/29/86	20,000	----	----	9/11/86	10,000	Site preparation and installation of drainage pipe in the industrial park (50 jobs)

a Union County
b Town of Carlisle

EXHIBIT

NOV 5 1986 NO. 1

STATE BUDGET & CONTROL BOARD

04556

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available for Grants		
Approved To Date		
Disapproved To Date		
Pending		

2

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
7. Town of Jonesville P.O. Box 785 Jonesville, SC 29353	7/18/86	18,500	----	2,790	9/11/86	9,250	Improvements to the waste treatment system as required by DHEC
8. City of Folly Beach P.O. Box 22 Folly Beach, SC 29439	6/30/86	29,500	----	10,000	9/11/86	14,750	A comprehensive study in order to develop a plan for future growth and development
9. Spartanburg County P.O. Box 5666 Spartanburg, SC 29304	6/24/86	29,500	207,000 ^c	177,500	9/11/86	20,000	Construction of sewer main and appurtenances to serve the TNS Mills (100 new jobs)
10. Kershaw County Courthouse Camden, SC 29020	5/9/86	9,800	77,000 ^d	30,000	9/11/86	4,900	Installation of a drainage system to provide an adequate disposal system for surface runoff to reduce flooding in northeast Camden
11. Florence County City/County Complex 180 North Irby Street Florence, SC 29501	5/15/86	2,300	----	13,610	9/18/86	2,300	Installation of lights at the Hannah-Pamplico recreation facility
12. Town of Williamston 43 East Main Street Williamston, SC 29697	8/21/86	35,000	----	----	9/18/86	14,750	Drilling of a deep well to supplement present water supply

c ARC
d USDA--Soil Conservation Service

EXHIBIT

NOV 5 1986 NO. 1

STATE BUDGET & CONTROL BOARD

04557

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available for Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

3

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
13. Town of Blacksburg 101 South Shelby Street Blacksburg, SC 29702	9/24/86	20,000	----	19,904	9/26/86	10,000	Installation of drainage tile to alleviate flooding
14. Town of Lockhart P.O. Box 234 Lockhart, SC 29364	9/24/86	7,500	----	----	9/26/86	3,750	Emergency repairs to main storm drain damaged by flooding
15. Town of Walhalla P.O. Box AP Walhalla, SC 29691	7/22/86	10,000	---	10,000	9/26/86	5,000	Diversion of water flow from Negro Fork Creek for use as an alternate source of water
16. Calhoun County County Office Building St. Matthews, SC 29135	9/15/86	5,000	----	----	9/26/86	2,500	Study to determine the needs for the projected growth in upper Calhoun County
17. City of Newberry P.O. Drawer 538 Newberry, SC 29108	8/28/86	47,950	----	----	9/23/86*	23,975	Repair of main sewer line damaged in flood
18. McCormick County P.O. Box 426 McCormick, SC 29835	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority
19. Greenwood County Courthouse Greenwood, SC 29646	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority

EXHIBIT

NOV 5 1986 NO. 1

BUDGET & CONTROL BOARD

04558

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1985 Cont'd

Balance Available for Grants		
Approved To Date		
Disapproved To Date		
Pending		

4

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
20. Abbeville County P.O. Box 579 Abbeville, SC 29620	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority
21. Anderson County P.O. Box 4046 Anderson, SC 29622	6/19/86	49,000	----	----	9/23/86*	24,500	Installation of sewer service to the Powdersville area
22. City of Greenville 106 Augusta Street Greenville, SC 29601	9/16/86	25,000	188,604 ^e	316,302	9/29/86	12,500	Transportation for rural customers by the Greenville Transit Authority

e UMTA

04559

EXHIBIT
NOV 5 1986 NO. 1
STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986 NO. 2

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF November 5, 1986 ITEM NUMBER

2

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Expenditures during September (House)

Projects included:	28
Total expenditure	
State grant funds:	\$385,575
Applications approved	
during current fiscal year:	53 involving \$734,075
Applications pending:	12 involving \$127,750
Grant fund balance available:	\$2,138,175

BOARD ACTION REQUESTED:

Receive as information the Local Government report on rural improvement funds expended by the House of Representatives during September which includes 28 projects totalling \$385,575 in State grant funds and which indicates that 53 applications involving \$734,075 have been approved during the current fiscal year, that 12 applications totalling \$127,750 are pending, and that the grant funds balance available is \$2,138,175.

ATTACHMENTS:

Agenda item worksheet plus attachments.

04560

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: M. A. Bullock

2. Subject: Expenditures of Rural Improvement Funds by the House
 during September 1986

3. Summary Background Information:

The referenced report includes 28 projects involving a total expenditure of \$ 385,575 in Rural Improvement Funds. This report shows that 53 applications involving \$ 734,075 have been approved during the current fiscal year and that 12 applications totaling \$ 127,750 are pending. At this point there is a balance of \$ 2,138,175 available in grant funds.

EXHIBIT

NOV 5 1986 NO. 2

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name _____ Authorized
 (b) Signature _____

7. Supporting Documents:

List Those Attached

Attached report

List Those Not Attached But Available
 from Submitter

04561

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986

Balance Available For Grants	2,138,175
Approved To Date	53 734,075
Disapproved To Date	
Pending	12 127,750

(Above Figures Include Items In This Report)

Expenditures by the House for the period September 1 through September 30

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
1. Union County Courthouse Union, SC 29379	8/27/86	12,421	----	----	9/9/86	6,200	Completion of a water line to provide service to the Goshen Hill community
2. Town of Carlisle P.O. Box 305 Carlisle, SC 29031	5/5/86	25,000	----	8,000 ^a 18,000 ^b	9/9/86	12,500	Construction of a recreation facility
3. Anderson County P.O. Box 4046 Anderson, SC 29622	8/25/86	18,019	----	----	9/9/86	9,000	Installation of a water line along Cherokee Road (S-4-75) to provide a dependable source of water
4. Town of Six Mile P.O. Box N Six Mile, SC 29682	7/28/86	29,000	----	62,590	9/9/86	29,000	Installation of water main and appurtenances to serve the Gap Hill area
5. Clarendon County Courthouse Manning, SC 29102	7/7/86	30,000	----	----	9/11/86	12,500	Renovation of existing office space
6. Sumter County Courthouse Sumter, SC 29150	4/29/86	20,000	----	----	9/11/86	10,000	Site preparation and installation of drainage pipe in the industrial park (50 jobs)

a Union County
b Town of Carlisle

04562

EXHIBIT
NOV 5 1986
NO. 2
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available For Grants	
Approved To Date	
Disapproved To Date	
Pending	

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
7. Town of Jonesville P.O. Box 785 Jonesville, SC 29353	7/18/86	18,500	----	2,790	9/11/86	9,250	Improvements to the waste treatment system as required by DHEC
8. City of Folly Beach P.O. Box 22 Folly Beach, SC 29439	6/30/86	29,500	----	10,000	9/11/86	14,750	A comprehensive study in order to develop a plan for future growth and development
9. Spartanburg County P.O. Box 5666 Spartanburg, SC 29304	6/24/86	29,500	207,000 ^c	177,500	9/11/86	9,500	Construction of sewer main and appurtenances to serve the TNS Mills (100 new jobs)
10. Kershaw County Courthouse Camden, SC 29020	5/9/86	9,800	77,000 ^d	30,000	9/11/86	4,900	Installation of a drainage system to provide an adequate disposal system for surface runoff to reduce flooding in northeast Camden
11. Town of Williamston 43 East Main Street Williamston, SC 29697	8/21/86	35,000	----	----	9/18/86	14,750	Drilling of a deep well to supplement present water supply
12. City of Mullins City Hall Mullins, SC 29574	9/17/86	25,000	----	----	9/22/86	25,000	Installation of water and sewer lines to serve an industrial site (150 jobs)

c ARC
d USDA--Soil Conservation Service

04563

EXHIBIT
NOV 5 1986 NO. 2
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available for Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
13. Town of Olanta Town Hall Olanta, SC 29114	9/17/86	10,000	----	----	9/22/86	10,000	Improvements to the municipal sewer system
14. Laurens County West Main Street Laurens, SC 29360	9/16/86	2,500	----	7,500	9/22/86	2,500	Conversion of a building for use as a fire station for the Youngs Fire District
15. Laurens County West Main Street Laurens, SC 29360	9/16/86	1,500	----	1,000	9/22/86	1,500	Purchase of equipment for the Sunset Park Community Center
16. Town of Blacksburg 101 South Shelby Street Blacksburg, SC 29702	9/24/86	20,000	----	19,904	9/26/86	10,000	Installation of drainage tile to alleviate flooding
17. Town of Lockhart P.O. Box 234 Lockhart, SC 29364	9/24/86	7,500	----	----	9/26/86	3,750	Emergency repairs to main storm drain damaged by flooding
18. Berkeley County 221 North Live Oak Drive Moncks Corner, SC 29461	9/23/86	75,000	----	75,000	9/23/86	75,000	Upgrading of water system serving Conifer Hall and the Berkeley Country Club as required by DHEC
19. Town of Summerville 104 Civic Center Summerville, SC 29483	9/23/86	20,000	----	5,000	9/26/86	20,000	Purchase of patrol vehicles

* Approved by B&C Board
e Berkeley County Water and Sewer Authority

04564

EXHIBIT
NOV - 5 1986 NO. 2
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
20. Town of Walhalla P.O. Box AP Walhalla, SC 29691	7/22/86	10,000	----	10,000	9/26/86	5,000	Diversion of water flow from Negro Fork Creek for use as an alternate source of water
21. Laurens County West Main Street Laurens, SC 29360	9/17/86	10,000	----	----	9/26/86	10,000	Purchase of computer and software for the Sheriff's Department
22. Calhoun County County Office Building St. Matthews, SC 29135	9/15/86	5,000	----	----	9/26/86	2,500	Study to determine the needs for the projected growth in upper Calhoun County
23. City of Newberry P.O. Drawer 538 Newberry, SC 29108	8/28/86	47,950	----	----	9/23/86*	23,975	Repair of main sewer line damaged in flood
24. McCormick County P.O. Box 426 McCormick, SC 29835	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority
25. Greenwood County Courthouse Greenwood, SC 29646	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority
26. Abbeville County P.O. Box 579 Abbeville, SC 29620	8/20/86	18,000	----	36,000	9/29/86	9,000	Establishment of the Tri County Water and Sewer Authority

* Approved by B&C Board

EXHIBIT

NOV 5 1986 NO. 2

STATE BUDGET & CONTROL BOARD

04565

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF November 5, 1986 Cont'd

Balance Available for Grants		
Approved to Date		
Disapproved to Date		
Pending		

(Above Figures Include Items in This Report)

Name & Address of Applicant	Date of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
27. Anderson County P.O. Box 4046 Anderson, SC 29622	6/19/86	49,000	----	----	9/23/86*	24,500	Installation of sewer service to the Powdersville area
28. City of Greenville 106 Augusta Street Greenville, SC 29601	9/16/86	25,000	188,604 ^f	316,302	9/29/86	12,500	Transportation for rural customers by the Greenville Transit Authority

* Approved by B&C Board
f UMTA

04566

EXHIBIT
NOV 5 1986 NO. 2
STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986 NO. 3

STATE BUDGET & CONTROL BOARD
STATE BUDGET AND CONTROL BOARD BLUE AGENDA
MEETING OF November 5, 1986 ITEM NUMBER

3

AGENCY: Human Resource Management

SUBJECT: Unemployment Compensation Costs

In accord with Section 16 of the 1986-87 Appropriations Act, the Division of Human Resource Management has submitted to the General Assembly a report on the amounts paid to management firms assisting in the administration of the unemployment compensation program for State employees.

The report indicates that \$69,399 was paid to the R. E. Harrington firm during 1985-86. It also shows that \$954,502.95 was paid during 1985-86 to the Employment Security Commission for actual unemployment compensation claims.

BOARD ACTION REQUESTED:

Receive as information a Human Resource Management Division report that \$69,399 was paid to the R. E. Harrington firm during 1985-86 and that \$954,502.95 was paid during 1985-86 to the Employment Security Commission for actual unemployment compensation claims.

ATTACHMENTS:

Agenda item worksheet and report

04567

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Phyllis M. Mayes

2. Subject:

Unemployment Compensation Costs

3. Summary Background Information:

Section 16 of the 1986-87 Appropriations Act provides that the Budget and Control Board may hire a management firm to assist in the administration of the Unemployment Compensation program for State employees. It further provides that the Budget and Control Board shall report annually to the General Assembly, in writing, the complete name, address and amounts paid to any such management firm. A copy of the program costs is attached.

EXHIBIT

NOV 5 1986

NO. 3

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

No action required

5. What is recommendation of the Board Division involved?

Submitted for informational purposes

6. Recommendation of other office (as required)?

(a) Office Name _____ (b) Signature _____

7. Supporting Documents:

List Those Attached

Copy of program cost report

List Those Not Attached But Available
from Submitter

04568

EXHIBIT

1985-86 Unemployment Compensation

NOV 5 1986

NO. 3

Program Cost Report

STATE BUDGET & CONTROL BOARD

Program Administrator: R. E. Harrington, Inc.
Business Address: 811 Greencrest Drive
Westerville, Ohio 43081-2864
Mailing Address: Post Office Box 1160
Columbus, Ohio 43216-1160

Amounts Paid to R. E. Harrington, Inc.:

July 1, 1985 - September 30, 1985	\$17,349.75
October 1, 1985 - December 31, 1985	\$17,349.75
January 1, 1986 - March 31, 1986	\$17,349.75
April 1, 1986 - June 30, 1986	<u>\$17,349.75</u>
Total for FY 85-86	\$69,399.00

Note: Charges were based on an employee population of 63,090 with charges at a contractual rate of \$1.10 per employee annually.

04569

Amounts paid to the Employment Security Commission for actual unemployment compensation claims:

July 1, 1985 - September 30, 1985	\$262,605.63
October 1, 1985 - December 31, 1985	271,353.92
January 1, 1986 - March 31, 1986	273,509.10
April 1, 1986 - June 30, 1986	<u>147,034.30</u>
Total FY 85-86	\$954,502.95

EXHIBIT

NOV 5 1986 NO. 3

STATE BUDGET & CONTROL BOARD

04570

EXHIBIT

NOV 5 1986

NO. 4

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD

BLUE AGENDA

MEETING OF November 5, 1986

ITEM NUMBER

4

AGENCY: Human Resource Management

SUBJECT: Extensions of Employment, July-September

In accord with Code Section 9-1-1530, the Division of Human Resource Management has approved extensions of employment for six employees during the July-September, 1986, period.

BOARD ACTION REQUESTED:

Receive as information a report that, in accord with Code Section 9-1-1530, the Division of Human Resource Management has approved extensions of employment for six employees during the July-September, 1986, period.

ATTACHMENTS:

Agenda item worksheet and attachment

04571

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By: _____
(a) Agency: Division of Human Resource Management
(b) Authorized Official Signature: Dhyllis M. Mayes

2. Subject: AGE EXTENSIONS

3. Summary Background Information:

Attached is the quarterly report for age extension requests for July through September, 1986, for your information. These requests were approved in accordance with the requirements of Section 9-1-1530, the South Carolina Code of Laws.

EXHIBIT

NOV 5 1986 NO. 4

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

No action required.

5. What is recommendation of the Board Division involved?

No action required.

6. Recommendation of other office (as required)?

(a) Office Name _____ Authorized
(b) Signature _____

7. Supporting Documents:

List Those Attached

Age Extensions For FY 86-87
July-September 1986 Quarterly Report

List Those Not Attached But Available
from Submitter

04572

EXHIBIT

NOV 5 1986

NO. 4

AGE EXTENTIONS FOR FY 86-87
JULY - SEPTEMBER 1986 QUARTERLY REPORT

STATE BUDGET & CONTROL BOARD

AGENCY	EMPLOYEE	DATE OF BIRTH	APPROVED/ DISAPPROVED
WILDLIFE AND MARINE RESOURCES	WATSON B. McCASKILL	01-10-15	APPROVED
MEDICAL UNIVERSITY OF SOUTH CAROLINA	FANNIE MAE AGNEW	07-30-15	APPROVED
MEDICAL UNIVERSITY OF SOUTH CAROLINA	DR. KELLY T. McKEE	03-09-16	APPROVED
MEDICAL UNIVERSITY OF SOUTH CAROLINA	ALVENA P. MULLEN	03-20-16	APPROVED
AUCTIONEERS COMMISSION	COL. GEORGE PECHILIS	03-02-15	APPROVED
UNIVERSITY OF SOUTH CAROLINA	MARION PREACHER	04-17-16	APPROVED

04573

EXHIBIT

NOV 5 1986 NO. 5

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF November 5, 1986 ITEM NUMBER

5

AGENCY: Human Resource Management

SUBJECT: Sick Leave Advancement, July-September

In accord with Code Section 8-11-40, the Division of Human Resource Management has approved the advancement of sick leave for one employee during the July-September, 1986, period.

BOARD ACTION REQUESTED:

Receive as information a report that, in accord with Code Section 8-11-40, the Division of Human Resource Management has approved the advancement of sick leave for one employee during the July-September, 1986, period.

ATTACHMENTS:

Agenda item worksheet and attachment

04574

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Dehellen M. Mayes

2. Subject:

Advancement of Sick Leave

3. Summary Background Information:

Attached is the quarterly report for advancement of sick leave requests for July through September, 1986. The single request was approved in accordance with the requirements of Section 8-11-40, the South Carolina Code of Laws.

EXHIBIT

NOV 5 1986

NO. 5

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

No action required.

5. What is recommendation of the Board Division involved?

No action required.

6. Recommendation of other office (as required)?

(a) Office Name _____

Authorized

(b) Signature _____

7. Supporting Documents:

List Those Attached

Advancement of Sick Leave
July-September 1986 Quarterly Report

List Those Not Attached But Available
from Submitter

04575

ADVANCEMENT OF SICK LEAVE
JULY - SEPTEMBER 1986 QUARTERLY REPORT

AGENCY	EMPLOYEE	NUMBER OF DAYS	APPROVED/ DISAPPROVED
STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION	DAVID LAWRENCE	TEN	APPROVED

EXHIBIT

NOV 5 1986 NO. 5

STATE BUDGET & CONTROL BOARD

04576

EXHIBIT

NOV 5 1986

NO. 6

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

BLUE AGENDA
ITEM NUMBER

6

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

- A. The following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:
- (1) On Summary 9-87: Items 12, 13 and 16 (involving Parks, Recreation and Tourism and Employment Security Commission).
- B. The following permanent improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:
- (1) On Summary 9-87: Items 18 through 31 (involving Medical University, Mental Retardation and Wildlife & Marine Resources).

BOARD ACTION REQUESTED:

Receive as information a report that permanent improvement project actions included on Summary 9-87 (items 12, 13 and 16 involving Parks, Recreation and Tourism and Employment Security Commission) have been reviewed favorably by the Joint Bond Review Committee and approved by staff; and receive as information a report that permanent improvement project actions included on Summary 9-87 (items 18 through 31 (involving Medical University, Mental Retardation and Wildlife & Marine Resources) have been approved by staff and Joint Bond Review Committee review is not required:

ATTACHMENTS:

Referenced summary extracts.

04577

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 1 of 11
Forwarded to JBRC 10/17/86

Item Agency: P28 Parks, Rec & Tourism Project: 8559, Myrtle Beach Parking & Picnic Area

12.

Action

Proposed: Increase budget from \$ 159,680.00 to \$ 231,680.00

(Add \$ 72,000.00 [0] Capital Improvement Bonds)

Purpose: The original project budget was adequate to construct a restroom and new waterline only. Additional funds will allow for construction of associated parking areas and beach access. This project was approved as an emergency request at Joint Bond Review Committee meeting of October 15, 1986.

Ref: Supporting document pages 34-35.

CHE Approval Date: Not req'd
Committee Review Date: 10/15/86
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Capital Improvement Bonds 151,840.00
Federal 79,840.00

TOTAL FUNDS 231,680.00

Item Agency: P28 Parks, Rec & Tourism Project: 9255, Myrtle Beach State Park Improve

13.

Action

Proposed: Decrease budget from \$ 996,998.50 to \$ 653,783.60

(Subtract \$ 72,000.00 [0] Capital Improvement Bonds)
(Subtract \$ 271,214.90 [7] Federal)

Purpose: Revise scope downward to delete camping facilities and add day use and beach access. To transfer \$72,000 to project 8559. Projected available federal Land and Conservation funds are being reduced by \$271,214.90. This project was approved as an emergency request at the Joint Bond Review Committee meeting of October 15, 1986.

Ref: Supporting document pages 36-37.

CHE Approval Date: Not req'd
Committee Review Date: 10/15/86
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Capital Improvement Bonds 426,499.25
Federal 227,284.35

TOTAL FUNDS 653,783.60

Item Agency: R60 Employment Security Project: 9299, ESC Supply Renovation

16.

Action

Proposed: Establish project.

Total budget.....\$ 64,460.00
[7] Federal.....\$ 64,460.00

Purpose: To provide office space for Federal funded unemployment insurance project and also to provide suitable work space for State & Federal auditors. The agency has requested that this item be given emergency consideration (refer to correspondence Attachment 49).

Ref: Supporting document pages 43-49.

CHE Approval Date: Not req'd
Committee Review Date: *
B&C Board Approval Date: *

Budget After Action Proposed
Source Amount

Federal 64,460.00

TOTAL FUNDS 64,460.00

04578

STATE BUDGET & CONTROL BOARD
NOV 5 1986
EXHIBIT
NO. 6

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 1 of 11
Forwarded to JBRC 10/17/86

Item Agency: H51 Medical University Project: 7353, Fire Safety Systems

18.

Action

Proposed: Decrease budget from \$ 116,000.00 to \$ 71,000.00

(Subtract \$ 45,000.00 [2] Institution Bonds)

Purpose: To change scope to include necessary electrical work in an older building on campus currently used as apartments for students and residents and reduce budget.

Ref: Supporting document pages 52-54.

CHE Approval Date: 10/13/86
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed

Source	Amount
--------	--------

Institution Bonds	71,000.00
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TOTAL FUNDS	71,000.00
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EXHIBIT

NOV 5 1986 NO. 6

STATE BUDGET & CONTROL BOARD

04579

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 3 of 11
Forwarded to JBRC 10/17/86

Item Agency: H51 Medical University Project: 7354, Baruch Auditorium Renov

19.
Action
Proposed: Change Scope.

CHE Approval Date: 10/13/86
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Institution Bonds 20,064.68
Excess Debt Service 167,529.04

Purpose: Revise scope to include additional auditoria on campus.

Ref: Supporting document pages 55-57.

TOTAL FUNDS 187,593.72

Item Agency: J16 Mental Retardation Project: 7416, WC-Grounds Maintenance Bldg.

20.
Action
Proposed: Decrease budget from \$ 13,617.55 to \$ 4,315.00

(Subtract \$ 9,302.55 [4] Excess Debt Service)

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Other 4,315.00

Purpose: To close completed project. Transfer remaining funds to project 8835 (refer to item 10).

Ref: Supporting document pages 58-59.

TOTAL FUNDS 4,315.00

Item Agency: J16 Mental Retardation Project: 8072, WC-Utilities Improvement

21.
Action
Proposed: Decrease budget from \$ 199,000.00 to \$ 188,219.43

(Subtract \$ 10,780.57 [4] Excess Debt Service)

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Excess Debt Service 188,219.43

Purpose: To transfer needed funds to project 8835 (refer to item 10).

Ref: Supporting document pages 60-61.

TOTAL FUNDS 188,219.43

04580

EXHIBIT

NOV 5 1986 NO. 6

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 4 of 11
Forwarded to JBRC 10/17/86

Item Agency: J16 Mental Retardation Project: 8537, CC-Dorms & Canteen Reroofing
22.

Action
Proposed: Cancel project.

(Subtract \$ 42,980.00 [9] Other, Medicaid)

Purpose: To cancel and merge with project 8835 (refer to item 10).

Ref: Supporting document pages 62-63.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Other 0.00

TOTAL FUNDS 0.00

Item Agency: J16 Mental Retardation Project: 8715, PD-Admin Bldg Parking
23.

Action
Proposed: Decrease budget from \$ 20,000.00 to \$ 12,004.00

(Subtract \$ 7,996.00 [9] Other, Medicaid)

Purpose: To transfer needed funds to project 8835 (refer to item 10).

Ref: Supporting document pages 64-65.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Other 12,004.00

TOTAL FUNDS 12,004.00

Item Agency: J16 Mental Retardation Project: 8716, Pee Dee-Resurfacing of Pecan Lane
24.

Action
Proposed: Decrease budget from \$ 50,000.00 to \$ 41,211.00

(Subtract \$ 8,789.00 [9] Other, Medicaid)

Purpose: To transfer needed funds to project 8835 (refer to item 10).

Ref: Supporting document pages 66-67.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed
Source Amount

Other 41,211.00

TOTAL FUNDS 41,211.00

04581

EXHIBIT

NOV 5 1986 NO. 6

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 5 of 11
Forwarded to JBRC 10/17/86

Item Agency: J16 Mental Retardation Project: 8717, WC-Reroofing Bldgs 15,16,17 & 18
25.

Action
Proposed: Decrease budget from \$ 50,000.00 to \$ 41,840.96

(Subtract \$ 8,159.04 [9] Other, Medicaid)

Purpose: To close completed project. Transfer remaining funds to project 8835
(refer to item 10).

Ref: Supporting document pages 68-69.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Other	41,840.96

TOTAL FUNDS 41,840.96

Item Agency: J16 Mental Retardation Project: 8832, PD/Coastal-Central Monitoring System
26.

Action
Proposed: Decrease budget from \$ 268,926.18 to \$ 146,068.50

(Subtract \$ 122,857.68 [4] Excess Debt Service)

Purpose: To transfer needed funds to projects 8835 (refer to item 10) and 7414
(refer to item 9).

Ref: Supporting document pages 70-72.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Excess Debt Service	146,068.50

TOTAL FUNDS 146,068.50

Item Agency: P24 Wildlife & Marine Res Project: 8340, Lex Co-Shealy's Pond Land Purchase
27.

Action
Proposed: Decrease budget from \$ 120,000.00 to \$ 51,800.00

(Subtract \$ 60,000.00 [7] Federal)
(Subtract \$ 8,200.00 [9] Other, Non-Game Wildlife & Nat Areas Fund)

Purpose: To close completed project.

Ref: Supporting document pages 73-74.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Other	51,800.00

TOTAL FUNDS 51,800.00

EXHIBIT

NOV 5 1986 NO. 6

STATE BUDGET & CONTROL BOARD

04582

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 6 of 11
Forwarded to JBRC 10/17/86

Item Agency: P24 Wildlife & Marine Res Project: 8598, Berkeley-Goose Creek Boat Ramp
28.

Action

Proposed: Increase budget from \$ 157,310.65 to \$ 172,310.65

(Add \$ 15,000.00 [9] Other, Berkeley Water Rec. Res.)

Purpose: To provide rip-rap stabilization of the canal bank, additional sidewalk for landscaping to prevent erosion and also for emergency repairs caused by recent heavy rains.

Ref: Supporting document pages 75-77.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/09/86

Budget After Action Proposed	
Source	Amount
Other	172,310.65

TOTAL FUNDS 172,310.65

Item Agency: P24 Wildlife & Marine Res Project: 8929, Aiken-Savannah River Bluffs
29.

Action

Proposed: Decrease budget from \$ 700,000.00 to \$ 604,150.00

(Subtract \$ 13,000.00 [6] Appropriated State)
(Add \$ 117,150.00 [6] Appropriated State)
(Subtract \$ 100,000.00 [7] Federal)
(Subtract \$ 100,000.00 [9] Other, Non-Game Wildlife & Natural Areas)

Purpose: To change source of funds. Funds are being moved from cancelled project 8930 and Federal funds originally anticipated will not be forthcoming.

Ref: Supporting document pages 78-79.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Appropriated State	604,150.00

TOTAL FUNDS 604,150.00

Item Agency: P24 Wildlife & Marine Res Project: 8930, Barnwell Co-Ashleigh Bay
30.

Action

Proposed: Cancel project.

(Subtract \$ 117,150.00 [6] Appropriated State)

Purpose: Owner decided not to sell property.

Ref: Supporting document pages 80-81.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Appropriated State	0.00

TOTAL FUNDS 0.00

EXHIBIT

NOV 5 1986 NO. 6

STATE BUDGET & CONTROL BOARD

04583

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES
October 1, 1986 Through October 15, 1986

SUMMARY 9-87 Page 7 of 11
Forwarded to JBRC 10/17/86

Item Agency: P24 Wildlife & Marine Res Project: 9316, Fairfield Co-Monticello Fishing Pier
31.

Action
Proposed: Establish project.

Total budget.....\$ 22,000.00
[9] Other, Fairfield Co Water Rec Res.....\$ 22,000.00

Purpose: Construction of a 200' x 6' fishing pier at the Fairfield County Recreational Area.

Ref: Supporting document pages 82-85.

CHE Approval Date: Not req'd
Committee Review Date: 99/99/99
B&C Board Approval Date: 10/15/86

Budget After Action Proposed	
Source	Amount
Other	22,000.00

TOTAL FUNDS 22,000.00

Item Agency: P24 Wildlife & Marine Res Project: 9321, Grnv'l Law Enforcement Cmplx Land Acq & Const
32.

Action
Proposed: Establish project.

Total budget.....\$ 150,000.00
[6] Appropriated State.....\$ 150,000.00

Purpose: Land acquisition and construction of a new law enforcement office in Greenville County.

Ref: Supporting document pages 86-87.

CHE Approval Date: Not req'd
Committee Review Date: *
B&C Board Approval Date: *

Budget After Action Proposed	
Source	Amount
Appropriated State	150,000.00

TOTAL FUNDS 150,000.00

04584

EXHIBIT
NOV 5 1986 NO. 6
STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986

NO. 7

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

BLUE AGENDA
ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

Please refer to the attached report for details on payments of interviewee travel expenses by the following agencies:

<u>Agency</u>	<u>Number</u>	<u>Estimated Cost</u>
(a) Mental Health	2	\$900.00
(b) Francis Marion College	3	159.09

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Mental Health (2) and Francis Marion College (3).

ATTACHMENTS:

Referenced report

04585

INTERVIEWEE TRAVEL EXPENSE REIMBURSEMENT PAYMENTS

<u>Agency</u>	<u>Period</u>	<u>Total Number</u>	<u>Total Cost</u>	<u>Number of Payments</u>			
				<u>\$100 or Less</u>	<u>\$101 to \$300</u>	<u>\$301 to \$500</u>	<u>\$501 and Over</u>
Mental Health	October	2	900.00	0	1	0	1
Francis Marion College	August & October	3	155.09	3	0	0	0
Total		5	1,055.09	3	1	0	1

EXHIBIT

NOV 5 1986 NO. 7

STATE BUDGET & CONTROL BOARD

04586

EXHIBIT

NOV 5 1986

NO. 7

STATE BUDGET & CONTROL BOARD

MEMORANDUM

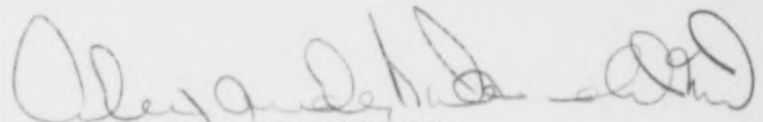
TO: Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

FROM: Alexander G. Donald, M.D.
Director, William S. Hall Psychiatric Institute

DATE: October 20, 1986

SUBJECT: Reimbursement for Interview Travel

I request approval of travel reimbursement in the amount of approximately \$700 for Joseph A. Ionno, M.D., to visit the Institute on November 19, 1986, for the purpose of interviewing for a Teaching Psychiatrist II position at the William S. Hall Psychiatric Institute. This is a significant position to be filled in light of the teaching mission of the Institute, and the cost is warranted. The cost of this interview will be significantly less than to pay the costs of five staff members to travel to Hartford, Connecticut, for the interview. In addition, it is imperative that the applicant see the Institute in order to make an informed decision. This interview is necessary in that no qualified applicants within South Carolina have applied for the position.


Alexander G. Donald, M.D.
Director

AGD/jas

c Mr. William S. McInnis
Deputy Executive Director
State Budget and Control Board



04587

OCT 16 1986

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OCT 16 1986

State Commissioner of
Mental Health
S. C. Dept. of Mental Health

MEMORANDUM

EXHIBIT

TO: Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

NOV 5 1986 NO. 7

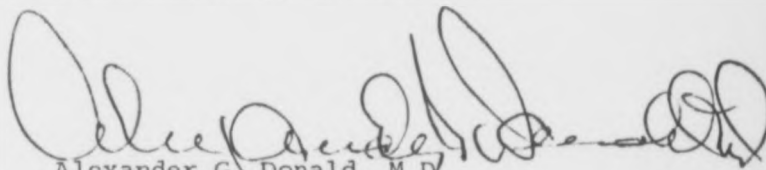
FROM: Alexander G. Donald, M.D.
Director, William S. Hall Psychiatric Institute

STATE BUDGET & CONTROL BOARD

DATE: October 9, 1986

SUBJECT: Reimbursement for Interview Travel

I request approval of travel reimbursement in the amount of approximately \$200 for Daniel J. O'Connell, M.D., to visit the Institute on October 16, 1986, for the purpose of interviewing for a Teaching Psychiatrist II position at the William S. Hall Psychiatric Institute. This is a significant position to be filled in light of the teaching mission of the Institute, and the cost is warranted. The cost of this interview will be significantly less than to pay the costs of five staff members to travel to Wyckoff, New Jersey, for the interview. In addition, it is imperative that the applicant see the Institute in order to make an informed decision. This interview is necessary in that no qualified applicants within South Carolina have applied for the position.


Alexander G. Donald, M.D.
Director

AGD/jas

c Mr. William S. McInnis
Deputy Executive Director
State Budget and Control Board



04588



FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501 / (803) 661-1281

Office of the Vice President
for Academic Affairs and
Dean of the College

August 13, 1986

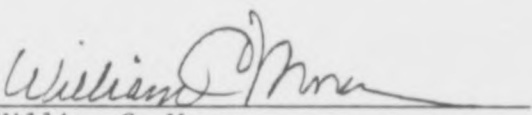
TO: President Thomas C. Stanton

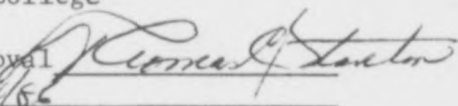
FROM: William C. Moran

Your approval is requested to invite Mr. Tim Giles to campus for an interview for the position of Temporary Instructor of English and to pay his travel expenses. The significance of this position is such that it warrants the cost of an interview. Further, the participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Mr. Giles to the campus would be far less than would be the expense of conducting the interview at his home. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

Estimated Costs:

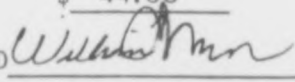
Travel-----	\$120.00
Food-----	18.00
Lodging-----	55.00
TOTAL	\$193.00

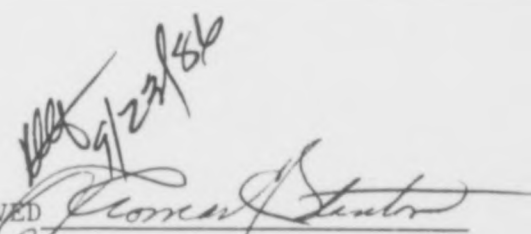

William C. Moran
Dean of the College

Initial Approval 
Date 8/14/86

Actual Costs:

Travel-----	\$ 44.00
Food-----	
Lodging-----	
TOTAL	\$ 44.00

APPROVAL RECOMMENDED 
DATE 9-15-86


APPROVED
DATE Sept 17, 1986

AUG 14 1986

SEP 17 1986

04589



FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 661-1110

Vice President for Business & Finance

TO: President Thomas C. Stanton

FROM: R. Gerald Griffin

Your approval is requested to invite Ms. Trudi Lacey to campus for an interview for the position of Women's Basketball Coach and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Ms. Lacey to campus would be far less than would be the expense of conducting the interview at home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

Estimated Costs:

Travel-----\$	<u>66.00</u>
Food-----\$	<u>14.50</u>
Lodging-----\$	
TOTAL	\$ <u>80.50</u>

R. Gerald Griffin
R. Gerald Griffin
Director of Athletics

RGG/thh

Initial Approval *Thomas C. Stanton*

Date: 10/14/86

Actual Costs:

Travel-----\$	<u>66.00</u>
Food-----\$	<u>11.09</u>
Lodging-----\$	

TOTAL-----\$ 77.09

Budget to Charge: 1-505-E3300-0000
(Pres. Office-Non-State Employee
Travel)

APPROVAL RECOMMENDED *R. Gerald Griffin*

Date: 10/15/86

APPROVED *Thomas C. Stanton*

Date: 10/16/86

thh
10/16/86

04590



FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 661-1110

Vice President for Business & Finance

EXHIBIT

TO: President Thomas C. Stanton

NOV 5 1986

NO. 7

FROM: R. Gerald Griffin

STATE BUDGET & CONTROL BOARD

Your approval is requested to invite Ms. Tammy Holder to campus for an interview for the position of Women's Basketball Coach and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Ms. Holder to campus would be far less than would be the expense of conducting the interview at home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

Estimated Costs:

Travel-----\$	<u>34.00</u>
Food-----\$	
Lodging-----\$	
 TOTAL	 \$ <u>34.00</u>

R. Gerald Griffin
R. Gerald Griffin
Director of Athletics

RGG/thh

Initial Approval: *Thomas C. Stanton*
Date: 10/16/86

Actual Costs:

Travel-----\$	<u>34.00</u>
Food-----\$	
Lodging-----\$	
 TOTAL-----\$	 <u>34.00</u>

Budget to Charge: 1-505-E3300-0000
(Pres. Office-Non-State Employee
Travel)

APPROVAL RECOMMENDED *R. Gerald Griffin*

APPROVED: *Thomas C. Stanton*

Date: 10/15/86

Date: 10/16/86

04591

HAK
10/16/86

EXHIBIT

NOV 5 1986 NO. 8

STATE BUDGET AND CONTROL BOARD AGENDA
STATE BUDGET & CONTROL BOARD
MEETING OF November 5, 1986 ITEM NUMBER

8

AGENCY: Executive Salary and Performance Evaluation Commission

SUBJECT: Actions at September 17, 1986, Meeting

As a follow-up to the Board's September 16 request to this Commission to consider the uncertain revenue situation in its deliberations on agency head salaries, the Commission voted to:

- (1) adopt the salary ranges recommended in the Hay Study, effective October 1, 1986;
- (2) award the three percent general increase October 1, 1986;
- (3) adopt the average 5% performance increase plan but defer awarding those increases until more information regarding State revenues is available; and
- (4) adopt the "to minimum" increase plan but defer awarding these increases until more information on State revenues is available.

BOARD ACTION REQUESTED:

Receive as information the referenced report on actions of the Executive Salary and Performance Evaluation Commission in response to the Board's request of September 16, 1986.

ATTACHMENTS:

Vice Chairman McLellan's October 31 memo to Commission members

04592



House of Representatives

State of South Carolina

Robert N. McLellan

Home Address:

Box 796
Seneca, S.C. 29679-0796

Committees:

Ways and Means
Joint Bond Review
Rules

EXHIBIT

NOV 5 1986 NO. 8

STATE BUDGET & CONTROL BOARD

RECEIVED
OCT 30 1986
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

530-C Blatt Building
Columbia, S.C. 29211

Tel. (803) 758-3828

MEMORANDUM

TO: Members of the Executive Salary and Performance Evaluation
Commission *R.N.M.*

FROM: Representative Robert N. McLellan, Vice Chairman
Executive Salary and Performance Evaluation Commission

DATE: October 31, 1986

SUBJECT: Commission Meeting

The next meeting of the Executive Salary and Performance Evaluation Commission will be held Friday, November 14, 1986, at 10:00 a.m. Please note that the location of the meeting has been changed to Room 501 of the Blatt Building.

RNM/dg

Enclosures: Minutes of the October 13, 1986 meeting

Sept 17
per
Mr. McLellan

04593

Minutes
Executive Salary and Performance Evaluation Commission
~~October 13, 1986~~
Sept 17

EXHIBIT

NOV 5 1986 NO. 8

STATE BUDGET & CONTROL BOARD

Members Present

Senator James M. Waddell, Jr., Chairman
Representative Robert R. McLellan, V. Chairman
Senator Hugh Leatherman
Senator Peden McLeod
Representative Parker Evatt
Mr. Moses Clarkson
Mr. Bill Pherigo
Ms. Cynthia Gilliam

Staff Present

Dr. Jesse Coles
Ms. Phyllis Mayes
Dr. Alan Pollack
Dr. Andy Laurent
Mr. Steve Osborne
Ms. DeAnne Raven
Ms. Jennet Robinson
Mr. George Hendry
Mr. Roger Poston
Ms. Susan Coleman
Ms. Susan Mallini
Mr. Ken Harrill
Mr. Scott Inkley

Members Absent

Senator Verne Smith
Representative Jennings McAbee
Representative Don N. Holt, Jr.

The Executive Salary and Performance Evaluation Commission met on October 1, 1986, in Room 201 of the Gressette Building. Senator James M. Waddell, Jr., presided.

Senator Waddell opened the meeting. Following approval of the September 8, 1986, minutes, he called on Dr. Jessie Coles, Executive Director of the State Budget and Control Board, to advise the Commission of a recent economic report and its impact on state government. As a result of an October 16, 1986 meeting of the Budget and Control Board regarding the uncertain revenue situation, the Board asked that state agencies defer any non-essential expenditures until further notice and that the Executive Salary and Performance Evaluation Commission consider this uncertain revenue situation in its deliberations on agency head salary adjustments. The Board specifically asked the Commission to consider implementing only the three percent general increase on October 1, and deferring any other salary increases until further revenue information is available. Dr. Coles stated that the Budget and Control Board was "authorized" not "mandated" to approve agencies' requests for budget transfers to fund the additional "performance" and "to midpoint" increases. He also stated he had requested an Attorney General's opinion regarding effective dates of any salary increases awarded after October 1, 1986. It was the Attorney General's opinion the increases could not be retroactive to October 1, 1986.

September

04594

Minutes cont.
Page 2

Following Dr. Coles' presentation, the Commission members discussed the impact of the Budget and Control Board's request and voted unanimously to:

- (1) adopt the Salary Ranges recommended in the Hay Study, effective October 1, 1986;
- (2) award the three percent (3%) general increase October 1, 1986;
- (3) adopt the average 5% performance increase plan, but defer awarding those increases until more information is available regarding state revenues; and
- (4) adopt the "to minimum" increase plan which brings all salaries to the minimum of the respective salary ranges, but defer awarding such increases until more information is available regarding state revenues.

The Commission members further agreed that they would meet to discuss implementation of the deferred increases after more definitive information regarding the State's economy is available.

There being no further business, the meeting was adjourned.

dg

EXHIBIT

NOV 5 1986 NO. 8

STATE BUDGET & CONTROL BOARD

04595

EXHIBIT

NOV 5 1986 NO. 9

STATE BUDGET & CONTROL BOARD SUPPLEMENTAL

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF November 5, 1986

ITEM NUMBER _____

AGENCY: Department of Social Services

SUBJECT: Retention of 23 MMIS FTE Positions

At the September 23, 1986, Board meeting, the Board approved the transfer of 14 Medicaid Management Information System FTE positions and associated funding from DSS to the Health and Human Services Finance Commission.

It was noted then that 70 positions were involved initially and that they have been handled as follows:

- 70 positions initially
- (8) still at Clemson
- (25) shifted to HHSFC previously
- (14) in the 9/23 request

23 remaining then

When the transfer was approved, the Board action included a provision for abolishing these 23 remaining positions as of the November 5, 1986, meeting. That period was allowed to give DSS time to pursue the fate of the 23 positions with the Joint Committee on Personal Service Financing and Budgeting.

DSS now advises that the Joint Committee is not meeting until after the deadline. Commissioner Solomon asks the Board to extend the deadline for dealing with these positions until after the Joint Committee meets.

BOARD ACTION REQUESTED:

Delay elimination of 23 FTE positions from DSS until the Joint Committee on Personal Service Financing and Budgeting has considered the matter.

ATTACHMENTS:

Solomon October 30, 1986, letter to Coles

04596



RECEIVED

OCT 31 1986

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

JAMES L. SOLOMON, JR.
COMMISSIONER

South Carolina
Department of Social Services
P. O. BOX 1520
Columbia, South Carolina 29202-1520



October 30, 1986

EXHIBIT

NOV 5 1986 NO. 9

Dr. Jesse A. Coles, Jr., Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

STATE BUDGET & CONTROL BOARD

Dear Dr. Coles:

As you are aware, the Budget and Control Board allowed DSS, until November 1, 1986, to take action to retain the 23 positions which were to be deleted from DSS. This was the result of our Medicaid Management Information System (MMIS) being transferred to the State Health and Human Services Finance Commission effective October 1, 1986.

We have learned from your staff that the Joint Legislative Committee on Personal Service Financing and Budgeting will not meet until after the November 1, 1986 deadline. Therefore, we are requesting an extension of this date until after the Committee meeting is held.

Pending your approval, we will continue these 23 FTE's. If you have any additional questions, please contact me or Mr. A. Powell Ruff.

Sincerely,

James L. Solomon, Jr.

James L. Solomon, Jr.
Commissioner

JLSjr:brs

cc: Mr. Curtis Holt, Jr.

04597

South Carolina Board of Social Services

R. JAMES RYDER, III
CHAIRMAN
AT-LARGE
MARLBOROUGH

GEORGE D. HAMILTON
MEMBER
FIRST DISTRICT
WALTERSBURG

DR. OSCAR P. BUTLER, JR.
MEMBER
SECOND DISTRICT
GRANDEBURG

BETTYE DAVENPORT
MEMBER
THIRD DISTRICT
ANDERSON

JOHN H. EARLE
MEMBER
FOURTH DISTRICT
GREENVILLE

DR. AGNES H. WILSON
MEMBER
FIFTH DISTRICT
BLITZER

MELVIN B. NICHOLSON, M.D.
MEMBER
SIXTH DISTRICT
HARTSVILLE

EXHIBIT

NOV 5 1986

NO. 10

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD
ITEM NUMBER

2

AGENCY: Board of Economic Advisors

SUBJECT: Revenue Forecasts

To be presented at the meeting.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

04598



EXHIBIT

NOV 5 1986 NO. 10

STATE OF SOUTH CAROLINA STATE BUDGET & CONTROL BOARD BOARD OF ECONOMIC ADVISORS

James A. Morris, Ph.D., Chairman
Barbara A. Feinn, Ph.D., Executive Secretary
Bobby M. Bowers
S. Hunter Howard, Jr.

Rember C. Dennis Building
Suite 345
1000 Assembly Street
Columbia, S. C. 29201
803/734-3784

Economic and Revenue Outlook Fiscal Year 1987-88

The report of November 1, 1986 of the Board of Economic Advisors estimated that General Fund Revenues in FY 1987-88 would be \$2821.0 million. At the same time a revised estimate was issued for FY 1986-87 of \$2680.3 million.

Both estimates are based on projections of modest and uneven real growth in the national and State economies, with a gradual rise in prices, during the 20-month time period involved. There is a small probability of a recession in the first quarter of 1987 based on negative short-term effects of the tax reform bill, a possible slowdown in consumer spending and a lack of vigor in investment spending. A much higher probability exists, however, for continued positive growth, with personal income in the State rising by 5 - 5.5 percent this fiscal year and by 6 - 6.5 percent during FY 1987-88. It is assumed that a truly significant reduction in the federal deficit is unlikely but that the foreign trade balance will improve, with higher exports of manufactured and agricultural products. Growth in the service sector, with accompanying effects on employment, should continue at a reduced pace.

Revenues will rise generally with personal income with the pace and rate of collections affected by changes in law and administrative rulings. FY 1986-87 revenues have been revised downward by \$87.4 million, counting the \$10.3 million veto by the Governor. The effect on the budget is less

04599

than this amount because of the reserve contained in the appropriations bill and anticipated lapses.

Fiscal Year 1987-88 revenues are based on expected positive changes in personal income, but also reflect expected reductions in growth of some revenue items. The estimate is realistic and conservative, based on present expectations of the course of the national and State economies during the fiscal year. Because of the many uncertainties in the national and State economic outlook, prudence in expenditures is recommended.

J.A.M.

Board of Economic Advisors

November 5, 1986

EXHIBIT

NOV 5 1986 NO. 10

STATE BUDGET & CONTROL BOARD

04600

EXHIBIT

NOV 5 1986

NO. 10

TABLE I
GENERAL FUND REVENUES
Forecast FY 1986-87 and FY 1987-88
In Millions of Dollars

STATE BUDGET & CONTROL BOARD

	ACTUAL FY 1985-86	BEA Estimate FEB15/APR15, 1986 FY 1986-87	APPROPRIATION ACT JUNE 26, 1986 FY 1986-87	BEA November 1, 1986	
				REVISED 1986-87	ESTIMATE 1987-88
TOTAL GENERAL FUND (1)	2509.3	2734.0	2778.1	2680.3	2821.0
Total Regular Sources (1)	2468.2	2692.0	2735.3	2637.5	2778.0
Sales Tax (1)	893.3	956.0	963.2	950.3	1013.0
Individual Income Tax	907.3	1030.0	1041.2	986.8	1066.0
Corporation Income Tax	185.0	216.0	223.9	199.0	213.0
All Other	482.6	490.0	507.0	501.4 (2)	486.0
Miscellaneous Sources	41.1	42.0	42.8	42.8	43.0
Education Improvement Fund				237.6	253.25
Interest on Education Improvement Fund				1.8	1.80
TOTAL				239.4	255.05
				RATES OF CHANGE	
TOTAL GENERAL FUND				6.8%	5.2%
Total Regular Sources				6.9	5.3
Sales Tax				6.4	6.6
Individual Income Tax				8.8	8.0
Corporation Income Tax				7.6	7.0
All Other				3.9	-3.1
Miscellaneous Sources				4.1	0.5
Education Improvement Fund				7.0	6.6
Interest on Education Improvement Fund				-18.2	0.0
TOTAL				6.8	6.5

(1) Net of Education Improvement Fund.

(2) The changeover from an annual to a quarterly reporting system with the enactment of new insurance premium and retaliatory tax law will result in a one-time five quarter collection for the Insurance Tax, amounting to a \$16.4 million windfall for FY 1986-87.

Board of Economic Advisors
November 5, 1986

04601

NOV - 5 1986



EXHIBIT

NOV 5 1986

NO. 10

STATE OF SOUTH CAROLINA BOARD OF ECONOMIC ADVISORS STATE BUDGET & CONTROL BOARD

James A. Morris, Ph.D., Chairman
Barbara A. Feinn, Ph.D., Executive Secretary
Bobby M. Bowers
S. Hunter Howard, Jr.

Rember C. Dennis Building
Suite 345
1000 Assembly Street
Columbia, S. C. 29201
803/734-3784

To: South Carolina Budget and Control Board

Subject: November 1 First Official Estimate for FY 87-88

In accordance with the provisions of Section 11-9-880 of the South Carolina Code of Laws and Section 46, Part II, Act 540 of 1986 (the Appropriation Act of Fiscal Year 1986-87), the Board of Economic Advisors submits the first official estimate for Fiscal Year 1988 revenues of \$2821 million and corresponding quarterly estimates.

These estimates are based on an economic outlook for FY 1987 of more of the same--no recession, but no real strength. The expectation is that the present quarter will reflect good growth but that the January-March 1987 quarter will be weak because of the effects of the Tax Reform Bill. It is assumed that there will be small progress in reducing the federal deficit, and a gradual improvement in the balance of trade and domestic markets, particularly the manufacturing sector. The textile industry will remain fairly stable with no significant employment losses or significant growth. A gradual increase in prices is anticipated with inflation rates moving upward to 3.0%. The current pace of consumer spending will continue with fluctuations before and after the end of the year. Personal income growth is expected to be equal to growth in GNP.

Economic growth should pick up in FY 1988 with nominal personal income growth rates rising to approximately 6.0%. Inflation rates should accelerate to approximately 4.0%. Improvements in the balance of trade should result in an increase in exports from the manufacturing and agricultural sectors. The outlook for the textile industry will remain stable with some improvement anticipated. A reduced federal deficit should keep interest rates relatively low. Real growth is expected to be in the range of 2.0 - 2.5%.

The outlook translates into an increase in FY 1988 revenues to \$2821 million over FY 1987 revenues of \$2680.3 million, which were reevaluated as part of the process of arriving at the FY 1988 estimate. This represents a difference of \$97.8 million from the Appropriation Act figure of \$2778.1. A follow-up report will be made to the Budget and Control Board at its next meeting when approval of these estimates will be requested.

Board of Economic Advisors
J.A.M.

October 31, 1986

04602

EXHIBIT

TABLE I

NOV 5 1986 NO. 1 0

GENERAL FUND REVENUES
Forecast 1986-87 and 1987-88
In Millions of Dollars

STATE BUDGET & CONTROL BOARD

	ACTUAL 1985-86	REVISED 1986-87	ESTIMATE 1987-88
TOTAL GENERAL FUND	2509.3	2680.3 (1)	2821.0 (1)
Total Regular Sources	2468.2	2637.5 (1)	2778.0 (1)
Sales Tax	893.3	950.3	1013.0
Individual Income Tax	907.3	986.8	1066.0
Corporation Income Tax	185.0	199.0	213.0
All Other	482.6	501.4 **	486.0
Miscellaneous Sources	41.1	42.8	43.0
Education Improvement Fund	222.0 *	237.6 *	253.25 *
Interest on Education Improvement Fund	2.2	1.8	1.8
TOTAL	224.2	239.4	255.05

	RATES OF CHANGE	
TOTAL GENERAL FUND	6.8%	5.2%
Total Regular Sources	6.9	5.3
Sales Tax	6.4	6.6
Individual Income Tax	8.8	8.0
Corporation Income Tax	7.6	7.0
All Other	3.9	-3.1
Miscellaneous Sources	4.1	0.5
Education Improvement Fund	7.0	6.6
Interest on Education Improvement Fund	-18.2	0.0
TOTAL	6.8	6.5

(1) Net of Education Improvement Fund.

* One-fifth of total sales tax.

** The changeover from an annual to a quarterly reporting system with the enactment of new insurance premium and retaliatory tax law will result in a one-time five quarter collection for the Insurance Tax, amounting to a \$16.4 million windfall in FY 1986-87.

04603

EXHIBIT

TABLE II

NOV 5 1986 NO. 10

TOTAL GENERAL FUND REVENUES
QUARTERLY ESTIMATES
Fiscal Years 1986-87 and 1987-88
(In Millions of Dollars)

STATE BUDGET & CONTROL BOARD

	FY 1986-87 -----	FY 1987-88 -----
FIRST QUARTER	695.8	716.5
SECOND QUARTER	1374.3	1424.6
THIRD QUARTER	1995.5	2093.2
FOURTH QUARTER	2680.3	2821.0

PERCENT OF TOTAL REVENUES
COLLECTION BY QUARTER

	FY 1986-87 -----	FY 1987-88 -----
FIRST QUARTER	26.0	25.4
SECOND QUARTER	25.3	25.1
THIRD QUARTER	23.2	23.7
FOURTH QUARTER	25.5	25.8

Board of Economic Advisors
October 31, 1986

04604

EXHIBIT

NOV 5 1986 NO. 1 0

REVENUE FORECASTING PROCEDURES BOARD OF ECONOMIC ADVISORS FISCAL YEAR 1988

STATE BUDGET & CONTROL BOARD

The procedures and methodology of the Board of Economic Advisors in the preparation of the first official revenue forecast for Fiscal Year 1987-88 involved five major stages: 1) providing the economic background and setting at the national and State levels for the revenue forecasts; 2) reconciling the April 15, 1986 Board of Economic Advisors Estimate for Fiscal Year 1986-87 with Legislative adjustments in Part 1, Section 128 of Act 540 of the 1986 Appropriation Act; 3) interpreting recent and historical elasticities; 4) analyzing the outputs of the SCOPE Model under alternative scenarios, and 5) interacting with officials of other states with responsibility for revenue forecasting.

Board members individually and collectively had meetings as in previous years with experts and professional economists for economic intelligence gathering. These included a meeting on September 11, 1986 with Richard W. Ellson, Ph.D., Senior Research Economist and Associate Professor of Economics, University of South Carolina; Harold H. Harris, Jr., Ph.D. and Mark S. Henry, Ph.D. of the Department of Agricultural Economics and Rural Sociology, Clemson University; and Christine Chmura, Associate Economist, Federal Reserve Bank of Richmond. A second meeting on October 17, 1986 took place with Roy H. Webb, Economist and Research Officer, Federal Reserve Bank of Richmond; Ryan C. Amacher, Ph.D., Dean of the College of Commerce and Industry, Clemson University; Richard W. Ellson, Ph.D., Senior Research Economist and Associate Professor of Economics, University of South Carolina; and James N. Young, Chief Economist, BellSouth Corporation, Atlanta, Georgia, in which the outlook for the economy of the nation, South Carolina, and the textile and other significant industries in the State was discussed. A third meeting on October 22, 1986 provided interaction between Board members and David A. Wyss, Senior Vice President and Financial Economist of Data Resources, Inc. The resources of the national forecasting groups by which the SCOPE Model is driven, Data Resources, Inc. and Evans Economics, Inc., were available on-line as well as in hard-copy reports weekly and monthly to Board members. Materials from a variety of sources--international, national and state publications--were also made available to Board members. In addition, there was Board interaction with key officials of other states at the 41st National Association of Tax Administrators Meeting on State Revenue Estimating in Las Vegas, Nevada on October 26-29, 1986.

The preparation of the economic forecast involved many meetings between July 1 and November 1, 1986 with preliminary estimates, modifications and refinements of estimates.

Board of Economic Advisors
October 31, 1986

04605

EXHIBIT

NOV 5 1986 NO. 10

STATE BUDGET & CONTROL BOARD

BRIEF OVERVIEW OF THE SCOPE MODEL

The SCOPE (South Carolina Operations Planning and Evaluation) Model was initiated in 1972 in the Office of Chief Economist (originally in the Governor's office). It was designed and operates as a policy and forecasting tool for top level executive, legislative and management decision making. SCOPE is an econometric model designed to reflect the South Carolina economy and to forecast the performance of major economic variables in the State, particularly tax revenues, employment and income. The model is based on a framework of economic activity in the State relative to national economic activity. Approximately 85 exogenous national variables are currently taken from three leading national forecasting services (Data Resources, Inc., Chase Econometrics, and Evans Economics, Inc.).

The SCOPE core model consists of 63 equations, of which 55 are stochastic* and 8 are identities. SCOPE attempts to reflect the diversity of the South Carolina economy by including 20 industrial sectors of manufacturing and nonmanufacturing employment, and a series of equations for wages, personal income, unemployment, taxable sales and State tax revenue.

Durable Manufacturing Employment

The durable manufacturing employment block consists of 6 stochastic equations for the major industries in the State as reported by the South Carolina Employment Security Commission. The employment equations for each separate industry are expressed as a function of a national consumption expenditure index appropriate for that particular industry, a national industrial production index corresponding to that industry and the national level of employment in that industry. The durable employment forecasts include the following industries: Lumber and Products, Stone, Clay and Glass, Fabricated Metal Products, Electrical and Nonelectrical Machinery, and Other Durables which includes Furniture and Fixtures, Instruments and Related Products.

Nondurable Manufacturing Employment

The nondurable manufacturing employment block consists of 7 stochastic equations for the major nondurable industries in the State. Like the durable block, the employment equation for each industry is expressed as a function of a national consumption index appropriate for that particular industry, a national industrial production index for that particular industry and the national level of employment in that industry. Employment forecasts are available for each of the following nondurable industries: Food and Kindred Products, Textile Mill Products, Apparel, Paper, Printing and Publishing, Chemicals, and Other Nondurables, such as Rubber and Miscellaneous Plastics Products.

* Stochastic is defined as a type of modeling for time series analysis explaining future probability from historical experience.

Nonmanufacturing Employment

The nonmanufacturing employment block is disaggregated into 7 stochastic equations: Construction, Transportation and Public Utilities, Services, Trade, Finance-Insurance-Real Estate, State and Local Government, and Federal Government. Employment growth in these industries is specified as functions of State population, national employment in these industries and national consumption indices.

Personal Income

The personal income block is composed of 11 equations, one equation for the unemployment rate, and 10 additional equations for each of the 10 major components of personal income as published by the Bureau of Economic Analysis, Department of Commerce. These equations are specified as functions of their respective national and State income and employment variables. In addition, equations are estimated for wage and salary disbursements for all major industries and are specified as functions of national wage trends and State employment levels.

Revenues

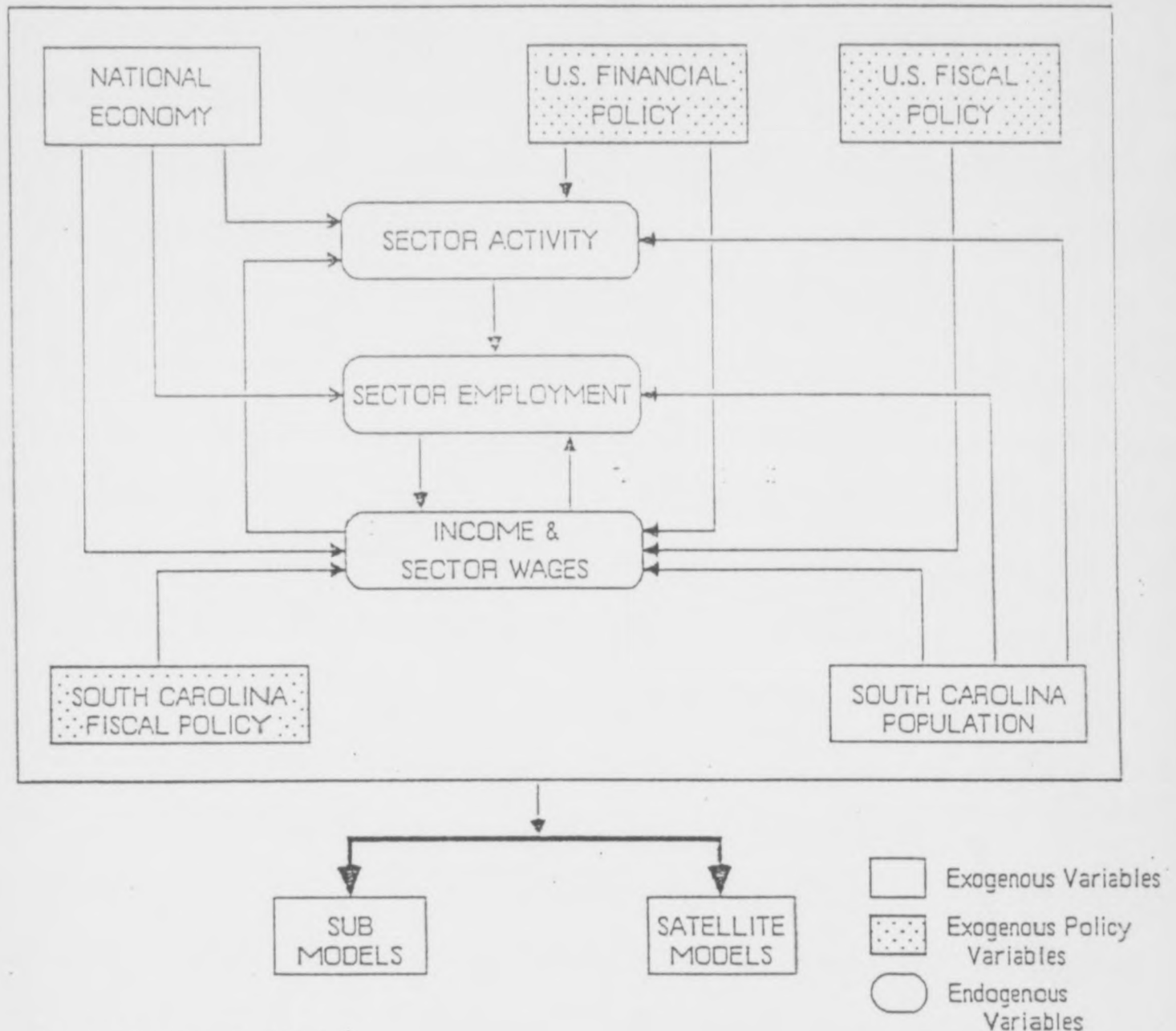
The revenue section of the model emphasizes 4 major stochastic Regular Revenue Sources equations: 1) South Carolina corporate income tax, 2) South Carolina individual income taxes, 3) South Carolina retail sales tax, and 4) all other taxes. These equations are individually specified as functions of aggregate employment and income with their respective coefficients and constants. In addition, there are 2 stochastic equations for taxable sales and refunds.

Board of Economic Advisors
October 31, 1986

04607

SCOPE MODEL

SOUTH CAROLINA OPERATIONS, PLANNING & EVALUATION MODEL



Board of Economic Advisors
October 31, 1986

EXHIBIT

NOV 5 1986 NO. 10

STATE BUDGET & CONTROL BOARD

04608

EXHIBIT

NOV 5 1986

NO. 1 1

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD
ITEM NUMBER

3

AGENCY: Budget Division

SUBJECT: 1986-87 Revenue Status Report

Dr. Holmes will discuss the Board of Economic Advisors' 1986-87 revenue estimate dated November 1.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Agenda item worksheet

04609

EXHIBIT

NOV 5 1986

NO. 1 1

BUDGET AND CONTROL BOARD AGENDA ITEM STATE BUDGET & CONTROL BOARD

Meeting Scheduled for: November 5, 1986

Regular Agenda

87-35

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Baron Holmes IV

2. Subject:

1986-87 Revenue Status Report

3. Summary Background Information:

Division Director A. Baron Holmes, IV's report to the Budget and Control Board on the Board of Economic Advisors' November 1, 1986-87 revenue projection.

Details to be presented at the meeting

4. What is Board asked to do?

To discuss the issues and adopt solution to deal with any projected revenue shortfall.

5. What is recommendation of Board Division involved?

Adopt Recommendations

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

(b) List Those Not Attached But Available From Submitter:

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EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET AND CONTROL BOARD BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF November 5, 1986 ITEM NUMBER

4

AGENCY: Budget Division

SUBJECT: 1987-88 Budget Recommendation

To be presented at the meeting.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Agenda item worksheet

04611

EXHIBIT

NOV 5 1986 NO. 1 1

BUDGET AND CONTROL BOARD AGENDA STATE BUDGET & CONTROL BOARD
ITEM WORKSHEET (12/84)

Meeting Scheduled for: November 5, 1986 Regular Agenda 87-36

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: A. Baran Holmes IV
2. Subject:
The Budget and Control Board's 1987-88 Budget Recommendation
3. Summary Background Information:
The State Budget Division's final 1987-88 Recommended Budget adjustment.

Details to be presented at the meeting.
4. What is Board asked to do?
Adopt the final adjustments to the 1987-88 Recommended Budget.
5. What is recommendation of Board Division involved?
Recommend Approval
Penton T. Country
6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:

(b) List Those Not Attached But Available From Submitter:

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EXHIBIT

NOV 5 1986 NO. 11

FY 1986 - 87 OVERVIEW

STATE BUDGET & CONTROL BOARD

Revenue projection in FY 86 - 87 Appropriations Bill

\$2,778,072,583

Revised FY 86-87 Projection \$ 2,680,293,670

Reserve Fund Contribution - 6,606,483

Available FY 86-87 Revenue \$ 2,673,687,187

Authorized Expenditures
in Appropriations Bill
(after Governor's vetoes) \$ 2,761,121,639

Available FY 86-87 Revenue - 2,673,687,187

87,434,452

Capital Expenditure Fund - 27,714,661

59,719,791 \Rightarrow 2.6% Cut

2.6% Cut = \$62,602,917
-59,719,791

Net Balance \$ 2,883,126

State Budget Division
November 5, 1986

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EXHIBIT

NOV 5 1986

NO. 11

STATE BUDGET & CONTROL BOARD

AGENCIES EXEMPT FROM FY '87 CUT

<u>AGENCY</u>	<u>EXEMPTIONS</u>	<u>2.6% CUT</u>
<u>SALARIES AND BENEFITS OF LEGISLATIVE AND LOCAL OFFICIALS</u>		
A01 The Senate		
Senators' Salaries & Employer Contributions	929,422	24,165
A05 House of Representatives		
Members' Salaries & Employer Contributions	2,462,476	64,024
B04 Judicial Department		
Judges Salaries & Employer Contributions	9,397,544	244,336
E12 Comptroller General		
Auditors & Treasurers Salaries & Emp Contr	1,445,862	37,592
E20 Attorney General		
Circuit Solicitors Salary & Emp Contr	1,616,452	42,028
<u>FEDERAL MANDATES/INSTITUTIONAL OVERCROWDING</u>		
J12 Department of Mental Health		
1/2 Agency Budget	66,121,611	1,719,162
J16 Department of Mental Retardation		
1/2 Agency Budget	33,449,367	869,683
N04 Department of Corrections		
1/2 Agency Budget	60,657,374	1,577,092
N12 Department of Youth Services		
Agency Budget	26,382,724	685,951
<u>CONTRACTUAL OBLIGATIONS</u>		
F12 B & C Board-General Services		
Robert Mills Building Rent	335,000	8,710
Mt. Vernon Mill Rent	2,986,290	77,643
V04 Debt Service	107,578,483	2,797,041
<u>SMALL AGENCIES</u>		
L16 Foster Care Review Board		
Entire Agency	459,865	11,956
Licensing Boards *	5,478,781	142,447
TOTAL	<u>319,301,251</u>	<u>\$ 8,301,830</u>

* Increased revenue projection above estimate in Appropriation Bill will be \$406,000, which is larger than the cost of the exemption.

NOTE: SEE ATTACHMENT I, PAGE 7 FOR DETAIL

State Budget Division
November 5, 1986

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EXHIBIT

NOV 5 1986 NO. 1 1

FY '88 BUDGET OVERVIEW

STATE BUDGET & CONTROL BOARD

(MILLIONS)

212.2	NEW EXPENDITURE MAJOR COMMITMENTS
<u>66.2</u>	NET NEW REVENUE OVER FY '87 BASE EXPENDITURE
146.0	
<u>7.7</u>	REVENUE ENHANCEMENT (TAX COMMISSION)
138.3	
<u>42.3</u>	CAPITAL EXPENDITURE FUND
96.0	

\$138 MILLION SHORTFALL YIELDS A 5.70% ACROSS-THE-BOARD CUT
(WITH MINIMUM EXEMPTIONS)

\$ 96 MILLION SHORTFALL YIELDS A 4% ACROSS-THE-BOARD CUT
(WITH MINIMUM EXEMPTIONS)

EXHIBIT

NOV 5 1986 NO. 1 1

MAJOR COMMITMENTS FOR FY '88

STATE BUDGET & CONTROL BOARD

	<u>Recurring</u>	<u>Nonrecurring</u>
<u>EMPLOYEE BENEFITS</u>		
PAY INCREASE (3%)	\$28,574,241	
EMPLOYER CONTRIBUTIONS (HLTH/DENTAL)	18,157,392	
ANNUALIZATION-AGENCY HEAD, UNCLASSIFIED	1,812,322	
<u>STATUTORY REQUIREMENTS</u>		
CAPITAL EXPENDITURE FUND		
(ABOVE \$27.7 MIL FY87)	14,600,339	
REPLENISH RESERVE FUND	25,092,881	
HOMESTEAD EXEMPTION	3,642,213	
EFA	37,830,372	
AID TO SUBDIVISIONS (AT CURRENT 91.3% LEVEL)	7,744,162	
DEPT OF EDUCATION -SCHOOL BUS LIABILITY	3,386,112	
<u>FEDERAL MANDATES/INSTITUTIONAL OVERCROWDING</u>		
CORRECTIONS	12,147,336	1,218,725
MENTAL HEALTH-STATE HOSPITAL	9,938,809	
M.R. COMMUNITY RESIDENCES & COMM TRAINING	500,000	
ALCOHOL & DRUG ABUSE INVOLUNTARY COMMITMENT ACT	877,000	
M.H. CRAFTS FARROW OVERCROWDING	1,000,000	
DEPARTMENT OF YOUTH SERVICES	810,000	
<u>ECONOMIC DEVELOPMENT</u>		
INVENTORY TAX	21,600,000	
ECONOMIC DEVELOPMENT PACKAGE	1,000,000	
<u>PREVENTION</u>		
PREVENTION PACKAGE	1,000,000	
NGA INITIATIVE FOR PREGNANT WOMEN & CHILDREN	1,500,000	
<u>CONTRACTUAL OBLIGATIONS</u>		
DEBT SERVICE	10,793,016	
DHFC-ROBERT MILLS BLDG	765,817	40,000
MT. VERNON MILL ANNUALIZATIONS	1,004,000	
AT&T BUILDING OUTFITTING, MOVING & PENT	687,759	190,000
COMPTROLLER GENERAL-GAAP CONVERSION	261,265	
ADJUTANT GENERAL-PENSIONS	31,450	
<u>OTHER</u>		
STATE MUSEUM OPENING	657,202	101,280
TAX COMMISSION (Revenue Enhancement p.6)	3,120,381	596,348
LEGISLATIVE COUNCIL-CODE REVISION	64,295	
TREASURER-CASH MANAGEMENT	417,531	
SECRETARY OF STATE-OPERATING	103,150	
BUDGET & CONTROL BOARD	273,752	88,000
LICENSING BOARDS	463,064	54,104
TOTAL MAJOR COMMITMENTS	<u>\$209,855,861</u>	<u>2,288,457</u>

NOTE: SEE ATTACHMENT II, PAGE 12 FOR DETAIL

State Budget Division
November 5, 1986

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EXHIBIT

NOV 5 1986 NO. 1 1

RECOMMENDED FTE INCREASES

STATE BUDGET & CONTROL BOARD

<u>AGENCY</u>	<u>STATE FTES</u>	<u>FEDERAL FTES</u>	<u>OTHER FTES</u>
DEPT OF EDUCATION - EIA	-	-	6.00
DEPARTMENT OF CORRECTIONS	546.50		
MENTAL HEALTH STATE HOSPITAL	243.50	-	117.00
STATE MUSEUM OPENING	26.00		
TAX COMMISSION	45.00		
BUDGET & CONTROL BOARD	3.00	-	30.00
LAW ENFORCEMENT TRAINING COUNCIL	-	-	8.00
CLEMSON UNIVERSITY	-	13.00	15.00
LANDER COLLEGE	-	7.50	3.00
UNIVERSITY OF SOUTH CAROLINA	-	108.00	151.73
DEPT OF HIGHWAYS & PUBLIC TRANSPORTATION	-	-	312.00
LICENSING BOARDS	11.60		
TOTAL MAJOR FTE COMMITMENTS	<u>875.60</u>	<u>128.50</u>	<u>642.73</u>

State Budget Division
November 5, 1986

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EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

PART I
REVENUE ENHANCEMENTS THROUGH PROGRAMS
RECOMMENDED FOR TAX COMMISSION

<u>AGENCY</u>	<u>REVENUE ENHANCEMENT CONSEQUENCES</u>
S. C. Automatic Tax System	\$3,000,000
Increase Number of Tax Technicians	2,425,000
Field Services-Increase Personnel & Equipment	1,250,000
Field Services-Purchase Portable PC's	<u>1,000,000</u>
Total Revenue Enhancements	\$7,675,000

State Budget Division
November 4, 1986

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EXPLANATION OF AGENCIES EXEMPT FROM FY 1987 CUT

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

SALARIES AND BENEFITS OF LEGISLATIVE AND LOCAL OFFICIALS

THE SENATE - \$929,422

Senators' Salaries & Employer Contributions

HOUSE OF REPRESENTATIVES - \$2,462,476

House Members' Salaries & Employer Contributions

JUDICIAL DEPARTMENT - \$9,397,544

Judges' Salaries & Employer Contributions

COMPTROLLER GENERAL - \$1,445,862

Local Auditors' & Treasurers' Salaries & Employer Contributions

ATTORNEY GENERAL - \$1,616,452

Circuit Solicitors' Salaries & Employer Contributions

The salaries and fringe benefits of these above elected and appointed officials is recommended for exemption due to the separation of powers doctrine promoted by the State Constitution between the three branches of government. The Board feels that it cannot set the salaries or fringe benefit level of elected and appointed officials in the Legislative or Judicial Departments.

EXHIBIT

FEDERAL MANDATES/INSTITUTIONAL OVERCROWDING

NOV 5 1986

NO. 1 1

STATE BUDGET & CONTROL BOARD

DEPARTMENT OF MENTAL HEALTH - \$66,121,612

The primary reason to exempt the Department of Mental Health is so that the agency will not be out of compliance with the Justice Department suit consent decree. The consent decree addresses the issues of overcrowding at State Hospital, staff-patient ratios and deinstitutionalization of patients more appropriate for community placement. The main area of attention is to bring on line adequate community programs to depopulate the Department's overcrowded institution.

DEPARTMENT OF MENTAL RETARDATION - \$33,449,368

The primary reason to exempt the Department of Mental Retardation is so that the agency can maintain the level of care required to maintain Medicaid certification in both its institutional and community residential program. These Medicaid earnings amount to about one-half of the agency's total budget.

DEPARTMENT OF CORRECTIONS - \$60,657,374

The primary reason to exempt the Department of Corrections from mid-year reductions is so that the agency will not be out of compliance with the Nelson consent decree. The consent decree addresses the issues of overcrowding, medical care, food service, recreational time, separating the violent from non-violent inmates, classification, and educational areas. In the last three years operational funding and additional personnel have been provided to address these issues. The main area of non-compliance is

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the overcrowding which can be relieved only by additional facilities or other alternatives. Not exempting the department from half of the mid-year reduction could jeopardize the compliance with the consent decree in any or all of these areas.

DEPARTMENT OF YOUTH SERVICES - \$26,382,724

The Department of Youth Services has requested to be exempted from any mid-year reduction. A 2.6% mid-year reduction for the department would represent \$685,951. The agency is now approximately 40% overcrowded in its institutions which are now not adequately staffed to provide more than one single staff person per building to supervise 20 to 40 juvenile offenders in each unit. The number of referrals to intake have increased, thus increasing the caseload of intake officers and the number of offenders being sent to the R & E centers for evaluation. The operating expenses of the agency are difficult to reduce, since the juvenile offenders must be provided food, clothing, housing, medical care and education. Travel in the communities is already limited due to lack of funding and cannot be curtailed any further, without stopping case-workers from making the required visits to the offenders.

It appears that if the DYS is not exempted from a mid-year reduction, it would probably have to resort to personnel layoffs. It should be further noted that if the Department of Education's budget is reduced, then the Department of Youth Services would be subject to a reduction in EFA and EIA funds.

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

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EXHIBIT

CONTRACTUAL OBLIGATIONS

NOV 5 1986 NO. 1 1

STATE BUDGET & CONTROL BOARD

\$110,899,773

The State has several contractual obligations that need to be exempted from the recommended reduction. These obligations are the State's debt service (\$107.6 M) on outstanding bonded indebtedness and rent for the Mt. Vernon Mill (\$2.99 M) and Robert Mills Building (\$.335 M).

The State has no alternative other than meet principle and interest payments on outstanding bonds. The rent for the Mt. Vernon Mill and Robert Mills Building is for the initial year and was requested by the Budget and Control Board to alleviate some critical space problems for several agencies.

SMALL AGENCIES

FOSTER CARE REVIEW BOARD - 459,865

It is recommended that the Children's Foster Care Review Board System be exempted from the mid-year cut for the following reasons:

- 1) The agency is in an extreme bind in its operating accounts, primarily because of statutory requirements to pay per diem and meals to its 140 local review board members. This has caused an unbudgeted increase of at least \$38,375. Also, the nature of the agency makes large travel expenditures necessary.

- 2) The agency caseload has increased 44% from 2,500 to 3,600 in the past year. Federal law requires that the cases of children in foster care be reviewed every 6 months. The state receives approximately \$4 million in federal foster care funds annually. It is not worth the amount of the exemption for this agency (\$18,000 at 4%) to put these funds at risk. With the tight condition of the agency's operating funds, any cut would damage the agency's ability to conduct these reviews on a timely basis.

EXHIBIT

NOV 5 1986

NO. 11

LICENSING BOARDS - 5,478,781

STATE BUDGET & CONTROL BOARD

The Licensing Boards and Commissions are self supporting revenue generating agencies. The fees are generated by examinees, licensees, renewals, etc. When fees are increased, it is done in order to support the responsibilities of the licensing board.

The 1986-87 initial revenue projection was \$6,799,755. The current projection is \$7,205,652, resulting in a surplus of \$405,897 for 1986-87 above the initial projection.

The typical Board or Commission is a very small operating unit and there is minimum flexibility or discretion in the spending decisions they make. In order to fulfill the missions of the boards to protect the health, safety, and welfare of the public, and provide services to those who financially support the efforts of the agency, budgets are prepared diligently and efficiently. Any reduction in the budget would result in failure to meet mandated laws, giving examinations, servicing the applicants, inspecting and investigating in an efficient and timely manner and conducting disciplinary hearings.

State Budget Division
November 4, 1986

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11

MAJOR COMMITMENTS FOR FY 1988

FACT SHEET

EMPLOYEE BENEFITS

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

PAY INCREASE - \$28,574,241

Each 1% increase in pay plus associated fringe benefits costs \$9.5 million. The Division of Human Resource Management's recent wage and salary survey shows pay for state employees on the average approximately 3% behind that of competitive employers. If no increase is given to state employees in FY 1988, projections indicate that state pay will drop to 8% below the market.

EMPLOYER CONTRIBUTIONS (HEALTH & DENTAL) - \$18,157,392

The increase in employer contributions is due to rate increases in health (14%) and dental (10%) insurance, and a .36% increase in social security for 6 months. Adverse selection caused by HMOs, increases in medical prices, and higher utilization have caused costs to skyrocket. Approximately one-half the employees who signed up for the now discontinued PHP HMO, have returned to the State Plan. According to the Retirement Division, the effects of these changes have not been determined yet. The \$18.2 million recommendation does not include any funding for the health insurance reserve fund. The restoration of a 1.5 month reserve would cost approximately \$15 million more. Presently, the health insurance reserve fund balance is \$19.7 million which constitutes approximately 1.6 months of reserve, but the reserve is projected to decline to only 5.5 days by July of 1987.

STATUTORY REQUIREMENTS

CAPITAL EXPENDITURE FUND - \$14,600,339

The \$14.6 million recommendation satisfies the statutory requirement of contributing 1.5% of the current year revenue to the Fund in FY 1988. The FY 1987 appropriation was \$27.7 million or 1%; therefore, the total fund amount in FY 1988 will be \$42.3 million. (The FY 1988 contribution is based on a preliminary working estimate by the Board of Economic Advisors of \$2,821 million.)

REPLENISH RESERVE FUND - \$25,092,881

The \$25.1 million will satisfy the statutory requirement to replenish the Reserve Fund at the rate of one percent of the prior year's revenue, to begin restoring the \$37.4 million which was transferred to the General Fund for the FY 1986 shortfall. It does not include any additional contribution to the Reserve.

HOMESTEAD EXEMPTION - \$3,642,213

The \$3.6 million projection made by the Comptroller General's Office represents a 16% increase over the FY 1987 appropriation. The projection is based on growth rates which occurred in calendar years 1985 and 1986. The appropriation for homestead reimbursement in FY 1987 for calendar year 1986 is expected to fall short approximately \$1.8 million (8.1%). Thus because of current underfunding coupled with expected millage increases due to the loss of General Revenue Sharing and the continued growth in the elderly population, an overall increase of \$3.6 million is projected for FY 1988.

EFA - \$37,830,372

The \$37.8 million increase for EFA is based on a 4.8% inflation factor and an approximate 1% increase in the number of weighted students. The base student cost for FY 1988 is estimated to be \$1364.50. 731,655 weighted students are projected to be served in the public schools of the state.

AID TO SUBDIVISIONS - \$7,744,162

The \$7.7 million recommendation for Aid to Subdivisions maintains the 91.3% current level of formula funding. 100% funding of the formula would require a \$27.3 million increase over the FY 1987 appropriation. Beginning October 1, 1987, municipalities and counties in South Carolina will experience the loss of General Revenue Sharing which will remove \$72 million a year from local revenue.

DEPARTMENT OF EDUCATION

School Bus Liability - \$3,386,112

This \$3.3 million will pay the increased liability insurance premiums for school buses. The new tort liability act and repeal of sovereign immunity increased the liability limits of the State to \$250,000 per person and \$500,000 per accident, thereby causing higher insurance premiums. Prior to this act, pupil injury liability was self insured. The new limits increased exposure to such an extent that a carrier is now utilized to protect the State's interest. The major increased cost occurred in FY 1987 but was only partially funded by the General Assembly. The Budget & Control Board helped to arrange temporary funding for this year, but full funding is required for FY 1988.

FEDERAL MANDATES

CORRECTIONS - \$12,147,336 Recurring - \$1,218,725 Nonrecurring

Of the \$13.3 million recommended for the Corrections Department, annualizations will total \$5.8 million. \$1.5 million of this figure will be used to annualize operating costs for the Lieber and McCormick facilities. The remaining \$4.3 million will be used to annualize salaries of 609 new positions authorized in the FY 1987 Appropriation Act for the McCormick prison, the correctional training facility, health care personnel, and temporary housing.

Fourth year Nelson Suit recommendations will total \$1.7 million (\$872,225 is non recurring). The bulk of these funds will be used to complete the health care study, meet ACA requirements for lighting and plumbing, and purchase data processing equipment for new institutions. Nelson Suit requirements are scheduled to be completed by July 1, 1989.

Recommended funding for the three institutions which were included in last year's bond bill will total \$5.8 million (\$346,500 is non recurring). \$3.7 million of this amount will be used for staffing (415 FTEs) the Broad River Complex which is scheduled to open by July, 1988. The Marlboro and Allendale facilities are expected to open March, 1989. In addition to staffing needs, these funds will be used for operating expenses and motor vehicles.

MENTAL HEALTH - \$9,938,809

The recommended \$9.9 million will be used for second year funding of the Justice Department settlement. This will upgrade the quality of State Hospital with additional staff and services and by reducing the patient load through screening and serving more clients in the community. \$2.5 million of this amount will be used for annualization of the following items: Outpatient treatment of alcohol and drug abusers, central inpatient treatment of alcohol and drug abusers, services related to screening and diversion, and services for the chronically mentally ill. Included in this recommendation is \$0.2 million for a new initiative to provide community based forensic evaluation. \$1.4 million will support an increase in staffing for the State Hospital.

The Justice Department settlement requires the Mental Health Department to increase annual expenditures by \$20.3 million within four fiscal years; full compliance is expected by July 1, 1990. The Board is recommending nearly half of the estimated cost of the Suit to be appropriated for FY 1988, as staffing requirements, the major component of the suit, must be met by July 1, 1989. As a result of the settlement, staff at the State Hospital will increase significantly, but extensive community programs will be developed as alternatives to hospitalization.

DEPARTMENT OF MENTAL RETARDATION - \$500,000

The \$500,000 recommended provides funding for 72 placements into private residential homes with private providers being trained and licensed to work with mentally retarded clients. These placements, which are called "community training homes", allow the deinstitutionalization of higher

level clients. The concept of a deinstitutionalization plan rather than increased institutional staff and expenditures will work to satisfy the guidelines set forth by federal "look behind" surveys. In addition, a proviso change is needed to allow the Department to utilize Medicaid Revenue for annualizing community programs which opened in FY 1987.

S.C. COMMISSION ON ALCOHOL & DRUG ABUSE - INVOLUNTARY COMMITMENT ACT

- \$877,000

The 1986 Involuntary Commitment Act provides outpatient treatment for alcohol and drug substance abusers in the community. This act allows the involuntary and voluntary commitment of alcohol and drug abusers to inpatient or outpatient treatment rather than forcing probate judges to use psychiatric commitment procedures which require institutionalization. The Commission was funded on a half year basis in FY 1987 to provide some of these services. The recommended \$877,000 will fully fund the component of these services scheduled to be provided by the Commission according to a memorandum of agreement with the Department of Mental Health. The outpatient services funded through the Commission will reduce the psychiatric hospital patient load at the Department of Mental Health and has been considered in DMH's requirements in the Justice Department settlement.

DEPARTMENT OF MENTAL HEALTH CRAFTS-FARROW OVERCROWDING - \$1,000,000

The \$1 million recommended will partially fund the movement of 220 patients to Dowdy-Gardner Nursing Center - Rock Hill, thus allowing the Department to raise the quality of care for the remaining patients at Crafts-Farrow.

A proviso is needed to restrict admissions to Crafts-Farrow to maintain an adequate level of care for the patients.

DEPARTMENT OF YOUTH SERVICES - \$810,000

This \$810,000 provides funding for the agency's FY 1987 operational deficit, which will be recurring in FY 1988, additional increases in operating expenses for FY 1988, and funding for the maintenance of facilities. The operational deficit in FY 1987 of \$376,000 in other operating expenses will be funded by a transfer of personal service funds. During the FY 1986 the agency had to transfer approximately \$148,000 out of the Emotionally Handicapped Program to cover other operating expense such as health care. The Emotionally Handicapped was a new program in 1985-86 but its start-up was delayed. That program should be operational in FY 1987 and thus its funding not available for other areas. Further, with the agency's funding level for personal service at approximately 96%, the agency does not have the flexibility to transfer personal service funds to offset increases in other operating expenses, and this condition is further exacerbated by not being able to provide double coverage of the dorms in the institutions.

Although the agency has received funding for alternative programs such as the Marine Institute, it has only been appropriated approximately \$200,000 in funding for other operating expenses in the last five fiscal years. Also, the agency has not been exempted from any midyear reductions even though the number of referrals to the agency has been increasing each year. With the number of referrals increasing each year. With the number of referrals increasing each year, the agency has not received any

additional funding to offset the associated costs of managing the institutional population and community programs. Such costs that are associated with increased referrals are additional meals to be served, additional travel for caseworkers, medical care, placement for offenders, psychological evaluations to be performed, the record keeping required of referrals, and maintenance of facilities.

The transferred personal service funds need to be restored in FY 1988 in order to permit minimal supervision coverage at the institutions and in the communities. The \$110,000 expansion of the community evaluation programs will allow an increased number of evaluations for youthful offenders in the community rather than requiring admissions to the Reception and Evaluation Center.

ECONOMIC DEVELOPMENT

INVENTORY TAX - \$21,600,000

Approximately \$21.6 million in additional funds will be needed to fund the phase-out of the inventory tax at the 100% level, based on a 10% growth rate in the inventories over actual 1985 total assessments and average millage rates. The Office of the Comptroller General and Tax Commission have agreed that the funding needed for FY 1988 will be considerably greater than predicted at the passage of the exemption in 1985.

Several variables which have not been considered in this projection could adversely affect it.:

- 1) County millages may continue to rise, particularly with the termination of General Revenue Sharing and other federal grant programs.
- 2) Removal of the tax on inventories is certain to increase the amount of inventory held at the end of each business cycle. With no tax, there is little incentive for inventory reduction, and this would increase the amount of inventory tax to be reimbursed by the State. This, coupled with other factors, is why the General Assembly has capped the reimbursement at the 1987 millage and assessment levels.
- 3) Business Personal Property is reported to the Tax Commission along with inventories, but it is not exempted. It is possible that some of this property will be reported as inventory to qualify for exemptions.
- 4) The location in South Carolina of distribution centers, such as Walmart and Rite Aid, could well increase inventory levels far above the levels existing prior to exemption.

ECONOMIC DEVELOPMENT - \$1,000,000

Economic development is absolutely critical for the well-being of all people in South Carolina. Expansion of needed state services depends on growing jobs and payroll. During the 1970's, personal income in South Carolina grew in real terms by 4.0% but during the 1980's this rate has slipped below 3.4%.

The expenditure by state government to promote development is a very small portion of the General Fund budget. Under the most liberal definition of economic development, the portion of agency budgets allocable

to economic development is roughly \$33.8 million. This represents only 1.2% of the General Fund.

This modest investment in our future growth will be diminished by at least \$1.35 million as a result of the 4% reduced allocation planned for FY 1988.

It is recommended that \$1 million of the cut be restored to the purpose of economic development. Rather than restore the allocable portions to each state agency, it is recommended that the total amount be placed in Section 16 under the Budget and Control Board and that the Coordinating Council for Economic Development be asked to propose by January 1, 1987, the precise spread of these dollars to the priority purposes which offer the greatest return in terms of future growth. The distribution of the dollars proposed by the Coordinating Council will be reviewed by the Budget and Control Board which will present a detailed set of recommendations to the General Assembly in January.

The purpose of handling the appropriation in this manner is to promote the greatest possible attention and analysis regarding the varying rates of growth offered by differing investments in the many programs promoting economic development.

PREVENTION PACKAGE

PREVENTION PACKAGE - \$1,000,000

There is a wide array of programs in health and human services agencies that are effective in preventing negative outcomes. Many of these outcomes result in costs to the public that are sizeable and continue over an

extended period of time. The \$1.0 million set aside in this particular package would be allocated to selected health and human services programs that have been analyzed to have the greatest cost-benefit to the general fund. Analysis will be completed strictly on the basis of cost avoidance to the state. The details of this analysis will be presented to the General Assembly by the Budget and Control Board in January, including recommended priorities for allocating the \$1 million to specific programs. Some of the prevention health and human services programs that will be reviewed for possible funding are Teenage Pregnancy Prevention, Family Planning, Genetics Counseling, EPSDT Screening, vaccinations as well as other programs that provide intervention to an existing condition at a much lesser cost than would occur if the condition were allowed to worsen.

NGA INITIATIVE - \$1,500,000

HEALTH SERVICES FOR PREGNANT WOMEN AND INFANTS - \$1.5 Million State Match/\$5.5 Million Federal Funds.

In the Omnibus Budget Reconciliation Act of 1986, Congress included a provision to give states the option to expand Medicaid coverage to pregnant women and children whose incomes are below the poverty level but above the AFDC limit. Traditionally, Medicaid coverage has been linked to eligibility for AFDC. The low eligibility level for AFDC has prevented many poor pregnant women and infants from receiving preventive health services. South Carolina has the highest infant mortality rate of any state (1.47 death rate per 1,000 live births). Current efforts in South Carolina and throughout the nation have been centered on high cost rescue efforts for babies born too soon and too small. This option will give the

state the opportunity to give prenatal care, delivery and post partum care for pregnant women and comprehensive care for infants up to age one so that better birth outcomes can be achieved.

State costs to fund the first year of these expanded services are estimated at \$1.5 million; this estimate presumes a 50 percent participation of income eligible pregnant women, and 25 percent participation of eligible infants. The State may annually increase the age level of covered children by one year until children up to age 5 are included.

EXHIBIT

CONTRACTUAL OBLIGATIONS

NOV 5 1986 NO. 1 1

STATE BUDGET & CONTROL BOARD

DEBT SERVICE - \$10,793,016

The Office of the State Treasurer has based the \$10.7 million estimate for debt service needs in FY 1988 on the assumption that an \$85 million bond issue will be floated in the spring of 1987 at a 9% interest rate.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL - ROBERT MILLS BUILDING

- \$765,817 Recurring - \$40,000 Nonrecurring

This \$805,817 will provide annualization of the rent for the Mills Building on the State Hospital campus for the Environmental Quality Control sections of DHEC. Also included is \$40,000 of nonrecurring moving expenses.

MT. VERNON MILL ANNUALIZATION - \$1,004,000

This \$1.004 million will annualize the rent payments for the Mt. Vernon Mill Building by several agencies. The breakout of cost by agency is:

State Museum \$688,754; State Library \$125,000, and State Tax Commission \$190,246.

AT & T BUILDING - \$687,759 Recurring - \$190,000 Nonrecurring

This \$877,750 provides funding for increased rent and moving expenses involved in the movement of several agencies to the new AT & T Building. This amounts to a \$687,759 increase in rent and \$190,000 in nonrecurring moving expenses. The agencies scheduled to move are: Budget and Control Board Divisions, Water Resources Commission, Coastal Council, Development Board, Jobs and Economic Development Authority and the Real Estate Commission.

COMPTROLLER GENERAL-GAAP CONVERSION - \$261,265

This provides funding for the final Phase III of the compliance with Generally Accepted Accounting Principles (GAAP) prescribed by The Governmental Accounting Standards Board (GASB) and The American Institute of Certified Public Accountants (AICPA). Financial statements prepared in GAAP format will provide a more realistic picture of the State's financial condition. This management tool will allow better management decisions due to the improved monitoring of various accounting functions.

ADJUTANT GENERAL-PENSIONS - \$31,450

The \$31,450 recommendation is required to fund the pensions of guardsmen who will be eligible for retirement beginning in FY 1988.

OTHER

STATE MUSEUM OPENING - \$657,202 Recurring - \$101,280 Nonrecurring

This \$0.77 million provides twenty-six (26.00) full time equivalent positions for staffing the State Museum, and necessary operational expenses. These staff will be for administration, clerical, public information, gallery monitors, store and audio visual operations to make the museum opening possible by July 1, 1988. This is partial year funding for those positions which will be phased in as the museum moves toward full operational capacity. This is the minimum level of staff required to open the Museum at the earliest possible date, thus shifting some of the state dollar cost to admissions fees and other revenue in FY 1989.

TAX COMMISSION - \$3,120,381 Recurring - \$596,348

The \$3.7 million recommendation will substantially improve the management capacity of the Tax Commission and will result in \$7.7 million worth of revenue enhancements. These revenue enhancements are accomplished through a) further development of the South Carolina Automated Tax Systems (SCATS), b) increased effort in collection by hiring additional tax technicians with related support services to audit more returns and to obtain abandoned property previously unattainable due to lack of resources, and c) an increased effort and improvements in field audit procedures by hiring additional tax auditors and revenue officers, and by purchasing additional portable computers for increased productivity.

LEGISLATIVE COUNCIL - \$64,295

The \$64,295 request by the Legislative Council will be used to partially revise and reprint the Code of Laws. Rather than do a major revision of the Code every ten years as scheduled, the Council is revising and reprinting only those volumes which have had major changes. Although the Council revised six volumes in FY 1986 and is scheduled to revise an additional five volumes in FY 1987, no new money was appropriated for this purpose in those years.

STATE TREASURER-CASH MANAGEMENT SYSTEM - \$417,531

This provides funding for the third year of implementation of the cash management system. These improvements will give the State Treasurer better capability to maximize the return on funds handled by the State.

SECRETARY OF STATE -OPERATIONAL ENHANCEMENT - \$100,000

The recommended \$100,000 will be used primarily for computer operations and maintenance to allow the Secretary of State's office improved processing of licenses, incorporation recordings, etc. This could generate increased revenue by allowing networking with such exchanges as Dunn and Bradstreet.

BUDGET & CONTROL BOARD - \$273,752 Recurring - \$88,000 Nonrecurring

The total recommendation for the Budget and Control Board is \$362,000. \$208,350 is recommended for the State Fire Marshal to carry out the provisions of the South Carolina Explosives Control Act which was passed earlier this year. Additional personnel will be hired who have a strong familiarity with explosives, bombs, and detector equipment and a law

enforcement background. \$88,000 of this amount is a non recurring expenditure which will be used to purchase specialized equipment for detection of explosives.

The Executive Director's Office will use \$100,000 of the total amount for the development of a "relational" data base system to be used by the Comptroller General, State Treasurer, Retirement System, Human Resource Management and the State Budget Division. This system will expand the capability of users to access information in a variety of different formats, and will allow quicker and easier access to information.

\$21,152 is recommended for the General Services Division of the Board and will be used for operating expenses of the State Engineers Office. The State Engineer's office has been underfunded in other operating costs for contractual services, travel, and supplies during the past few years.

The remaining \$32,250 is recommended for software and maintenance of a computerized data base system in the Local Government Division, b) acquiring consultation services in the area of economic development for the State Budget Division and c) additional training for budget analysts in developing efficiency and effectiveness measures, and d) the annual payment for the purchase of the Senate Street Motor Vehicle Management facility.

BOARDS & COMMISSIONS - \$463,064 Recurring - \$54,104 Nonrecurring

The Boards and Commissions are self supporting revenue generating agencies. The fees are generated by examinees, licensees, permittees, renewals, schools, salons, shops, etc. When fees are increased, they are supposed to pay expenses to operate the licensing boards.

The typical Board or Commission is a very small operating unit and there is minimum flexibility or discretion in the spending decisions they make.

In order to fulfill the mission of the agencies responsibilities to protect the health, safety, and welfare of the public, to the boards need minimal funding levels for investigations, travel, etc. Additional funding is needed in FY 1988 to meet mandated laws, give examinations, service the applicants, inspect and investigate in an efficient and timely manner, and conduct disciplinary hearings.

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

04640

EXHIBIT

CAUSES OF BUDGET PROBLEM

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

1) FEDERAL MANDATES			
- CORRECTIONS	\$50		
- M. H.	20		
- M. R.	5		
- GARCIA	<u>4</u>		
	79	79	79
2) LOST REVENUE			
- ACCESS FEE	\$12	3.0 EIA	
- FOOD STAMPS	10		
- INVENTORY TAX EXEMPTION	\$35 - 40		
- CAP ON SALES TAX	18	4.5 EIA	
- CATALOGUE SALES	<u>20 - 30 mil</u>		
	95 - 110	95	110
3) CAPITAL EXPENDITURE FUND	\$14 MIL PER 1/2% =		
	\$41 MIL FY '87		
	\$70 MIL FY 89	41	70
4) DECLINING INFLATION			
- REDUCED REVENUE GROWTH	\$20 - 28 MIL PER 1%		
5) PREVIOUS "CUSHIONING"			
- RESTORE HEALTH INSURANCE RESERVE	\$15 MIL		
- RESTORE RESERVE FUND	25 MIL	<u>40</u>	
GRAND TOTAL		APPROX. 285	300

State Budget Division
November 5, 1986

04641

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

COMPARISON OF TOTAL & REAL PERSONAL INCOME

SOUTH CAROLINA

	<u>TOTAL</u>	<u>REAL</u>	<u>INFLATION</u>
1970-80	11.4	4.0	7.4
1981-85	<u>8.8</u>	<u>3.4</u>	<u>5.4</u>
DIFFERENCE	<u><u>2.6</u></u>	<u><u>.6</u></u>	<u><u>2.0</u></u>

State Budget Division
September 18, 1986

04642

REVENUE PROJECTIONS

2,821.0

FY '88

2,680.3

FY '87

141.3

(5.3% GROWTH)

7.7

REVENUE ENHANCEMENT

149.0

(5.6% GROWTH)

State Budget Division
November 5, 1986 12:15 p.m.

04643

FY '88 GROWTH RATES OF REVENUE & EXEMPTIONS

EXPENDITURE INCREASE OVER FY '88 BASE	-	212 MILLION	-	7.7%
<u>FY '87 EXPENDITURE BASE</u>		<u>2,755 MILLION</u>		

REVENUE GROWTH OVER FY '87 REVENUE	-	149 MILLION	-	5.6%
<u>FY '87 REVENUE</u>		<u>2,680 MILLION</u>		

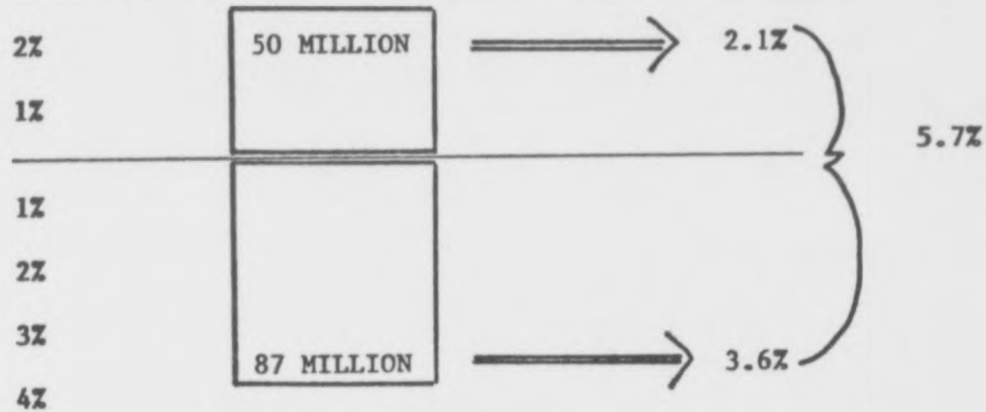
EXPENDITURE GROWTH LESS REVENUE GROWTH - 2.1%

State Budget Division
November 5, 1986

04644

EXPENDITURE--REVENUE GAP

FY '88



FY '87

State Budget Division
November 5, 1986

04645

FY '88

OPTION A: CONTINUING RESOLUTION

Features

A) No cuts below FY '87 base in Appropriation Bill.

Fund only those items directly mandated by law, up to amount of available \$70 million net new revenue.

Identify but don't fund other mandated items above available revenue.

B) Additional allocations within available revenue:

	Option 1 Millions	Option 2
1) Replenish Reserve Fund =	\$25.1	\$25.1
2) Phase Out Inventory Tax =	21.6	0.0
3) Corrections =	13.3	0.0 13.3
4) Debt Service =	10.7	10.7
5) EFA =	<u>0.0</u>	<u>37.8</u>
TOTAL	\$70.7	\$73.6

C) Mandated items not funded

1) EFA =	\$37.8	Funded
2) Capital Expenditure Fund =	14.0	14.0
3) Corrections =	13.3	13.3
4) Mental Health - State Hospital =	9.9	9.9
5) Aid to Subdivisions =	7.7	7.7
6) Inventory Tax Phase-Out =	Funded	21.6
7) Others =	X	X

FY '88

OPTION A: CONTINUING RESOLUTION

EXHIBIT

NOV 5 1986 NO. 1 1

Features

STATE BUDGET & CONTROL BOARD

A) No cuts below FY '87 base in Appropriation Bill.

Fund only those items directly mandated by law, up to amount of available \$70 million net new revenue.

Identify but don't fund other mandated items above available revenue.

B) Additional allocations within available revenue:

	Option 1 Millions	Option 2
1) Replenish Reserve Fund =	\$25.1	\$25.1
2) Phase Out Inventory Tax =	21.6	0.0
3) Corrections =	13.3	0.0
4) Debt Service =	10.7	10.7
5) EFA =	<u>0.0</u>	<u>37.8</u>
TOTAL	\$70.7	\$73.6

C) Mandated items not funded

1) EFA =	\$37.8	Funded
2) Capital Expenditure Fund =	14.0	14.0
3) Corrections =	13.3	13.3
4) Mental Health - State Hospital =	9.9	9.9
5) Aid to Subdivisions =	7.7	7.7
6) Inventory Tax Phase-Out =	Funded	21.6
7) Others =	X	X

State Budget Division
November 5, 1986

04647

FY 1988 CUT FROM FY 1986-87 ADJUSTED BASE

	WITH CAPITAL EXPENDITURE FUND	WITHOUT CAPITAL EXPENDITURE FUND
EFA NOT EXEMPTED	5.7%	4.1%
EFA 1/2 EXEMPTED	6.7%	4.6%
EFA EXEMPTED	8.0%	5.5%

NOTES: 1) EFA = 673.8 MILLION

A) FULL EXEMPTION = 32.3 MILLION

B) HALF EXEMPTION = 16.2 MILLION

2) CAPITAL EXPENDITURE FUND = \$14.6 MILLION FOR INCREASE
FROM 1.0% TO 1.5%

= \$42.3 FOR FULL 1.5%

3) 1% CUT, WITH LIMITED EXEMPTIONS = \$24.1 MILLION

State Budget Division
November 5, 1986 - 10:30 a.m.

04648

EXHIBIT

NOV 5 1986

NO. 11

STATE BUDGET & CONTROL BOARD

OPTION FOR FULLY FUNDING EFA IN FY 1988

A. INCREASE CUT TO OTHER AGENCIES

FROM 4.1% TO 5.5%

B. INCREASE CUT TO OTHER AGENCIES

FROM 4.1% TO 4.8%

(REDUCES THE EXPENDITURES

BY \$16.8 MILLION)

AND

DELAY PAY INCREASE FOR STATE

EMPLOYEES UNTIL JANUARY 1, 1988

(REDUCES THE EXPENDITURES

BY \$14.3 MILLION)

NOTE: A. COST OF FULLY EXEMPTING EFA FUNDING = \$32.3 MILLION

B. COST OF HALF EXEMPTING EFA FUNDING = \$16.2 MILLION

State Budget Division
November 5, 1986

04649

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

FY 1987-88 Budget Recommendations

November 5, 1986

BEA Revenue Projection for FY 1987-88	\$2,821,001,877	
Revenue Enhancement	<u>7,675,000</u>	
Adjusted Revenue Projection for FY 1987-88		<u>2,828,676,877</u>
Appropriation Base for FY 1986-87	2,761,121,639	
Add:		
New Expenditure Major Commitments	212,144,318	
Less:		
Non-Recurring Expenditure	(6,301,214)	
4.1% Reduction	(98,719,985)	
Capital Expenditure Fund	<u>(42,315,000)</u>	
Recommended Appropriation for FY 1987-88		<u>2,825,929,758</u>
Balance		<u>\$ 2,747,119</u>

Prepared by:

State Budget Division

04650

EXHIBIT

NOV 5 1986 NO. 11

STATE BUDGET & CONTROL BOARD

FY 1987-88 Budget Recommendations

EFA Funding

November 5, 1986

BEA Revenue Projection for FY 1987-88	\$2,821,001,877	
Revenue Enhancement	<u>7,675,000</u>	
Adjusted Revenue Projection for FY 1987-88		<u>2,828,676,877</u>
Appropriation Base for FY 1986-87	2,761,121,639	
Add:		
New Expenditure Major Commitments	197,857,197	
Less:		
Non-Recurring Expenditure	(6,301,214)	
4.8% Reduction	(83,230,749)	
Capital Expenditure Fund	<u>(42,315,000)</u>	
Recommended Appropriation for FY 1987-88		<u>2,827,131,873</u>
Balance		<u>\$ 1,545,004</u>

Prepared by:

State Budget Division

04651

EXHIBIT

NOV 5 1986 NO. 12

STATE BUDGET AND CONTROL BOARD
STATE BUDGET & CONTROL BOARD
REGULAR SESSION
MEETING OF November 5, 1986
ITEM NUMBER

5

AGENCY: Research Authority

SUBJECT: Transfer of Two Parcels in Carolina Research Park

Research Authority attorney George Wolfe has submitted a draft Board Resolution relating to the transfer by the South Carolina Research Authority of two parcels in the Carolina Research Park. The purchasers are Soils & Materials Engineers, Inc., and Compusystems, Inc.

He advises that the Authority's "test case" has been decided by the trial court and has been appealed to the Supreme Court, which has not yet handed down its decision.

The title insurance company is concerned that, until the Court hands down a final decision, there is a possibility that the trial court decision could be reversed and the Research Authority or its power to convey property could be declared unconstitutional. The company has requested that the Authority obtain from the Board a Resolution to ensure that, if necessary, the Board would do what is necessary to ensure that insurable legal title to the two parcels in the Carolina Research Park is transferred by the State of South Carolina to the purchasers.

Staff has modified the action part of the proposed resolution to simply say that the Board, at the request of the Authority, will do what is necessary to ensure that insurable legal title to the properties involved in two contracts of sale is transferred.

BOARD ACTION REQUESTED:

Adopt a Resolution to ensure that the Board will do what is necessary to ensure that insurable legal title to two parcels in the Carolina Research Park is transferred by the State of South Carolina to the purchasers.

ATTACHMENTS:

Wolfe October 27 letter to Laurent; proposed Resolution

04652

RECEIVED OCT 27 1986

NELSON, MULLINS, GRIER & SCARBOROUGH

ATTORNEYS AND COUNSELORS AT LAW

GEORGE B. WOLFE

THIRD FLOOR KEENAN BUILDING 1310 LADY STREET

POST OFFICE BOX 0070

COLUMBIA, SOUTH CAROLINA 29201

TELEPHONE 798-8000

AREA CODE 803

TELECOPY 488-7800

MYRTLE BEACH OFFICES

SUITE 6 OAK STREET PLAZA

1706 NORTH OAK STREET

POST OFFICE BOX 3939

MYRTLE BEACH, S. C. 29576-3939

TELEPHONE 446-1992

AREA CODE 803

EXHIBIT

October 27, 1986

NOV 5 1986 NO. 12

STATE BUDGET & CONTROL BOARD

Hand Delivered

Dr. Eugene A. Laurent
Deputy Executive Director
South Carolina Budget &
Control Board
Wade Hampton Office Building
6th Floor
Columbia, SC 29201

Dear Andy:

Pursuant to our recent telephone conversation, I am enclosing a draft Resolution in connection with the transfer by the South Carolina Research Authority of two parcels in the Carolina Research Park. For your reference, I would like to repeat here what I said on the telephone with respect to the reason why the title insurance company involved in these transactions is requiring such a Resolution.

The Research Authority "test case" has been decided by the trial court and appealed to the State Supreme Court. Although oral arguments were made about six months ago, the Supreme Court has not yet handed down its decision. The title insurance company is concerned that, until the Court does hand down a final decision, there remains the theoretical possibility that the Court could reverse the trial court and declare the Research Authority or its power to convey property unconstitutional. Accordingly, the title insurance company has requested that the Research Authority obtain from the Budget & Control Board a Resolution which would ensure that if, for example, the Supreme Court held the Research Authority to be unconstitutional, the State, by the Budget & Control Board, would execute such documents as might be necessary in order to make clear that valid legal title to the parcels in question has been transferred by the State of South Carolina to the purchasers of these parcels.

04653

Dr. Eugene A. Laurent
October 27, 1986
Page Two

EXHIBIT

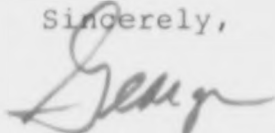
NOV 5 1986 NO. 12

STATE BUDGET & CONTROL BOARD

It is my understanding that the next Budget & Control Board meeting will be on Wednesday, November 5 (I presume the meeting will begin, as usual, at 10:00 a.m.), and that any matters to be considered at that meeting must be submitted to the Board by 1:00 p.m. on Wednesday, October 29. Accordingly, if you have any suggested changes or otherwise wish to discuss the enclosed Resolution, I would appreciate your calling me at your earliest convenience so that we can make such revisions as may be needed prior to the October 29 submission deadline. Also, I would appreciate your thoughts on the advisability of someone from the Research Authority being present at the November 5 Budget & Control Board meeting in the event anyone has questions concerning this Resolution.

Thank you very much for your cooperation and assistance in this matter.

Sincerely,



George B. Wolfe

GBW/ki
enclosure

cc: Dr. Robert E. Henderson (w/enclosure)

04654

EXHIBIT

State of South Carolina

NOV 5 1986

NO. 1 2

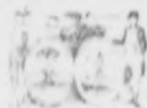
State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 6, 1986

Mr. George B. Wolfe
Nelson, Mullins, Grier & Scarborough
Box 11070
Columbia, SC 29211

Dear George:

Enclosed are five certified copies of the resolution adopted by the Budget and Control Board at its November 5, 1986, meeting. This resolution assures the Research Authority that the Board will do anything reasonably necessary and appropriate to ensure that insurable title to the parcels in the Carolina Research Park is transferred to Soils & Materials Engineers, Inc., and to Compusystems, Inc., pursuant to contracts of sale.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", written in dark ink.

William A. McInnis
Deputy Executive Director

WAM:dw

Enclosures

cc: Dr. Robert Henderson

04655

EXHIBIT

NOV 5 1986 NO. 12

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 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 2 P. M., on Wednesday, November 5, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

5

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 the Board in my custody as its Secretary.

November 6, 1986

William A. McInnis

04656

EXHIBIT

NOV 5 1986 NO. 12

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD RESOLUTION

WHEREAS, in April 1983, Act No. 50 (the "Act") of the South Carolina General Assembly, creating the South Carolina Research Authority (the "Authority"), became law;

WHEREAS, pursuant to the Act, the State of South Carolina transferred to the Authority title to several parcels of land, to serve as research parks;

WHEREAS, the Authority has subsequently negotiated with several companies as prospective tenants of the research parks;

WHEREAS, the Authority has entered into contracts of sale for each of two parcels (referred to collectively as the "Parcels") in the Carolina Research Park, one such contract being with Compusystems, Inc., and the other such contract being with Soils & Materials Engineers, Inc.;

WHEREAS, a "test case" was initiated in the Court of Common Pleas for Richland County in order to determine that the Authority was properly created under the South Carolina Constitution and was constitutionally granted the powers given to it under the Act;

WHEREAS, by an Order dated August 7, 1985, the Court of Common Pleas upheld the constitutionality of the Authority and its power to sell real property;

WHEREAS, that Order has been appealed to the South Carolina Supreme Court, but no decision has yet been issued by the South Carolina Supreme Court in connection with that appeal;

WHEREAS, because that appeal has not been finally decided, the Authority and the purchasers of the Parcels are being required by the company providing title insurance to obtain certain assurances from the Budget & Control Board with respect to the Parcels in order to ensure the title company that, regardless of the decision that might be handed down by the Supreme Court, valid legal title will be vested in the purchasers of the Parcels;

WHEREAS, the Authority and the Budget and Control Board (the "Board") believe that the Authority can, by itself, transfer valid legal title to the Parcels in accordance with the contracts of sale, but both the Authority and the Board want to avoid any title insurance problems that might jeopardize the transactions;

WHEREAS, this Board is legally empowered to transfer any interest the State may have in the Parcels, and desires to attract the purchasers into the Research Park System;

04657

NOW, THEREFORE, the Budget and Control Board agrees that, at the request of the Authority, it will do anything reasonably necessary and appropriate to ensure that insurable legal title to the Parcels located in Carolina Research Park is transferred, pursuant to contracts of sale, to Soils & Materials Engineers, Inc., and to Compusystems, Inc.

EXHIBIT

NOV 5 1986 NO. 1 2

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986

NO. 13

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD
MEETING OF November 11, 1986

ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: Transfer Request (Winthrop)

The Budget Division requests authorization to transfer \$98,000 appropriated general funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College.

The Division advises that the Committee now has established its 1986-87 budget and it has organized its operations for the year under its Director who will be employed by Winthrop College beginning December 1, 1986. The College will coordinate and support the administration of the Subcommittee.

Winthrop College President Piper and the Budget Division have agreed that this transfer should be accomplished.

BOARD ACTION REQUESTED:

Authorize the transfer of \$98,000 appropriated general funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College.

ATTACHMENTS:

Agenda item worksheet and attachments

04659

NOV 5 1986 NO. 13

STATE BUDGET & CONTROL BOARD
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)Meeting Scheduled for: November 5, 1986 Regular Agenda 87-371. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barm Holmes IV2. Subject:

The Budget and Control Board-State Budget Division request to transfer the EIA Blue Ribbon Monitoring Committee Funding to Winthrop College.

3. Summary Background Information:

The Budget and Control Board-State Budget Division requests authorization to transfer the \$98,000 appropriated General Funds for the EIA Blue Ribbon Monitoring Committee to Winthrop College. The Committee has now established its 1986-87 budget and organized its operations for the year under its Director who will be employed by Winthrop College beginning December 1, 1986. The College will in turn coordinate and support the Subcommittee in carrying out their responsibilities.

4. What is Board asked to do?

Authorize the transfer of \$98,000 from the Budget and Control Board-State Budget Division to Winthrop College.

5. What is recommendation of Board Division involved?

Recommend Approval

C. M. Case6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:(a) List Those Attached:

1. Staff Notes
2. Letter From Chairman, Joint Committee

(b) List Those Not Attached But Available From Submitter:

EXHIBIT

NOV 5 1986 NO. 13

STATE BUDGET & CONTROL BOARD

Under the Education Improvement Act, a joint subcommittee of the original business-education-legislative committees is required to provide accountability, to continue to monitor the EIA, to review and recommend to the State Board of Education strategies to implement various provisions of the EIA, to assess the outcomes of the EIA, and to report at least annually to the public and General Assembly on the progress of the EIA.

The General Assembly provided \$98,000, beginning in 1986-87, to provide staff support, technical assistance, secretarial assistance, meeting expenses and dissemination expenses for this Joint Subcommittee. The Joint Subcommittee has considered various options to carry out their responsibilities using the \$98,000 in the most cost-effective way. Through Bill Page, the chairman, the Joint Subcommittee recommends that the \$98,000 be transferred to Winthrop College, and they in turn will coordinate and support the Subcommittee in carrying out their responsibilities. The \$98,000 was placed temporarily in the Budget and Control Board until the Joint Subcommittee could recommend a suitable staffing and support mechanism.

04661

EXHIBIT

NOV 5 1986

NO. 13

STATE BUDGET & CONTROL BOARD

U.S. Shelter Corporation

One Shelter Place • P.O. Box 1089 • Greenville, South Carolina 29602 • Telephone (803) 239-1000

October 15, 1986

Dr. Jesse Coles, Executive Director
Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

As you know, the South Carolina General Assembly committed funds to the Budget and Control Board to provide staff and research support for the Joint Subcommittee (of (i) the Steering Committee for Business/School/Legislative Partnership and (ii) the Committee on Financing Excellence in Education), which is charged with monitoring the Education Improvement Act.

Since this is the initial year for this particular type of support, Dr. Holmes and you had asked the Joint Subcommittee's advice on the most suitable arrangement for providing staff and research support.

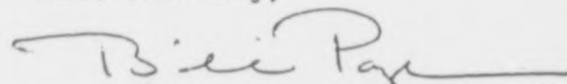
Our Committee has closely studied this matter and voted to recommend the enclosed budget breakdown for 1986-87.

The Committee also carefully analyzed the need for a staff director (or executive director) for the Committee. After considering a variety of options, we concluded that we wish to employ Dr. Terry Peterson in this capacity on a half-time basis. Dr. Peterson is one of a handful of people in the entire state who understands the details and intent of the provisions in the Education Improvement Act, Education Finance Act, and Educator Improvement Act. We need Dr. Peterson to start in this capacity on December 1, 1986.

Winthrop College will be utilizing Dr. Peterson the other half of his time. It would seem to make sense for the Budget and Control Board to transfer sufficient funds to Winthrop for half of Dr. Peterson's time and for related expenses and office support costs. It may cause less paperwork and reduce administrative costs for the Board to transfer the entire line-item for this endeavor to Winthrop.

Please advise me (239-1640) as soon as possible on what, if anything, I need to do next to assure that this staffing and support role is in place by December 1, 1986 or sooner.

Yours sincerely,



William N. Page, Chairman
Joint Subcommittee

nb

cc: Dr. A. Baron Holmes

04662

EXHIBIT

NOV 5 1986 NO. 1 4

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

7

AGENCY: Budget Division

SUBJECT: Civil Contingent Fund Allocation
(Board of Registration for Geologists)

The Budget Division advises that the State Board of Registration for Geologists was created by Act 507 of 1986, but that no funds were appropriated to permit the agency to carry out required duties and responsibilities.

The Board of Registration for Geologists has requested a \$17,466 Civil Contingent Fund allocation to fund 1986-87 start-up costs. Funds for 1987-88 will be requested through the Ways and Means Committee.

The Budget Division recommends approval of the request.

BOARD ACTION REQUESTED:

Allocate \$17,466 from the Civil Contingent Fund to the Board of Registration for Geologists for agency start-up costs.

ATTACHMENTS:

Agenda item worksheet and attachments

04663

EXHIBIT

NOV 5 1986 NO. 1 4

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

87-33
Regular Agenda

Meeting Scheduled for: November 5, 1986

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: *Al Barin Holmes IV*

2. Subject:

Board of Registration for Geologists' Civil Contingent Fund Allocation Request.

3. Summary Background Information:

The State Board of Registration for Geologists, created by Act 507 of 1986, is requesting a \$17,466 Civil Contingent Fund allocation to fund the 1986-87 initial start-up cost of the new agency. No funds were appropriated in the Appropriation Act to permit the agency to carry out the required duties and responsibilities mandated by law. The agency will request 1987-88 funds through the Ways and Means Committee.

4. What is Board asked to do?

Approve a \$17,466 Civil Contingent Fund allocation to the Board of Registration for Geologists.

5. What is recommendation of Board Division involved?

Recommend Approval

Glenn H. Bony

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter

2. Supporting Documents

(b) List Those Not Attached But Available From Submitter:

04664

EXHIBIT

NOV 5 1986 NO. 14

FY86-87 Budget Proposal

STATE BUDGET & CONTROL BOARD

Board of Registration for Geologists

I. Administration

Other Personal Services:

Per Diem (5 board members)	2,450
(10 board mtgs., 4 special mtgs.)	

Other Operating Expenses:

Travel	4,116
Mileage: 2,156	
Lodging: 700	
Meals: 1,260	

Contractual Services	5,400
Telephone services	
Printing	
Management Consultant	

Supplies	5,000
Postage	
Printing (stationery, envelopes, forms)	
Office supplies	

Fixed Charges	500
Insurance - State	

Total Budget, 1986-87.	<u>17,466</u>
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For the Board

Norman K. Olson

Norman K. Olson
Chairman
Tel: 737-9440

04665

EXHIBIT

NOV 5 1986 NO. 14

STATE BUDGET & CONTROL BOARD

October 15, 1986

REVENUE ESTIMATE, FY1986-87

South Carolina Board of Registration for Geologists

Application fees*.....	\$ 5,000
Registration fees (500 at \$40 each).....	20,000
Total.....	<u>\$ 25,000</u>

For the Board:

Norman K. Olson

Norman K. Olson

Chairman

Tel. 737-9440

* Income based upon revenue derived from estimated 1000 applicants paying \$5.00 each per set of geologist registration forms, estimated during March-June 1987. No examinations would be given during initial 12-month "grandfather" period ending June 10, 1987. Based upon North Carolina's recent return of 50 percent completed applications for geologists' registration, we anticipate 500 completed applications.

04666

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
406 WADE HAMPTON STATE OFFICE BUILDING
COLUMBIA, S.C. 29201

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR. Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

EXHIBIT

NOV 5 1986 NO. 14

STATE BUDGET & CONTROL BOARD

TO: Dr. Jesse A. Coles, Jr.
FROM: Frances Barr *[Signature]*
DATE: October 21, 1986
SUBJECT: New Agency-Civil Contingent Fund
Request 1986-87

In a recent meeting with the Board of Registration for Geologists board members, I suggested they contact the Budget and Control Board requesting Civil Contingent Funds for the initial start-up of their new agency. In order to carry out the required duties and responsibilities mandated, it is necessary they receive \$17,466 for operating expenses. I recommend these funds for the operation of the agency in 1986-87. The agency will request the funds for 1987-88 in the Ways and Means Committee.

04667

SOUTH CAROLINA BOARD OF REGISTRATION FOR GEOLOGISTS
c/o South Carolina Geological Survey
Harbison Forest Road
Columbia, South Carolina 29210

October 17, 1986

Dr. Jesse A. Coles, Jr.
Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

On June 10, 1986 Governor Riley signed the bill (S.906) authorizing the registration of geologists in South Carolina. This act (copy of Act 507 enclosed) provides for the Board of Registration for Geologists and for funding to allow the Board to discharge its statutory duties and responsibilities.

A computer file, begun and maintained at the South Carolina Geological Survey, contains names and addresses of approximately 155 resident geologists in South Carolina. Our neighboring states of Georgia, Virginia and North Carolina (in that sequence) passed geologists' registration laws, the latter two within the past two years. In response to my question on the ratio of non-resident applicants to residents, both Georgia and North Carolina representatives answered it has been approximately 4:1, or 25 percent of their total is composed of in-state geologists. Based upon their experience our Board estimates conservatively that we'll have 500 actually returning completed application forms. (North Carolina, last spring, mailed out 1500 forms to applicants paying \$5.00 per set, and by the deadline of August 15, 1986 under the "grandfather" clause, had 750 returned. They reported that approximately 200 of the 750 are resident geologists.)

The Board of Registration for Geologists is requesting \$17,466 from the Civil Contingent Fund for 1986-87 for the initial start-up of the agency. The revenue estimate (enclosed) for 1986-87 is \$25,000. Also enclosed is a copy of the proposed budget for 1986-87. The Board has not yet decided on a management services firm or agency, but screening of several groups is now in progress.

04668

Dr. Jesse A. Coles, Jr.

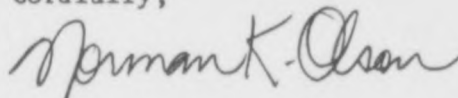
-2-

October 17, 1986

We have been ably assisted by Frances Barr in the rather difficult task of beginning the fiscal operations of our new Board. She is a very capable, enthusiastic woman who has earned our praise.

Please contact me at 737-9440 if you need clarification on the enclosed revenue estimate.

Cordially,



Norman K. Olson
Chairman

NKO:ny

cc: Eugene A. Laurent
Bobby M. Bowers
✓ Frances H. Barr

04669

Budget and Control Board, Office of Executive Director
CIVIL CONTINGENT FUND - 86-87

Fund Status Report at November 5, 1986

Appropriations:
General \$ \$494,624.00

Transfers:

Governor's Ofc Exec Policy and Pgms/CETA 75-76 Claim	37,523.00	
BCB/DRSS/Board of Economic Advisors	21,110.00	
Water Resources Commission	<u>83,900.00</u>	
		\$142,533.00

Direct Expenditures:

Budget and Control Board Meetings	1,564.26	
Board of Economic Advisors	390.00	
Construction Advisory Committee	277.76	
Governor's Youth Advisory Council	1,754.75	
Florence Crittenton Programs	<u>12,500.00</u>	
		\$16,486.77

Encumbrances:

Budget and Control Board Meetings	2,435.74	
BCB, OED, Microfilming, Binding Board Minutes	2,000.00	
Retirement/Preretirement Advisory Council	350.00	
Construction Advisory Council	322.24	
Governor's Youth Advisory Council Meetings	2,245.25	
Study Committee/Hunger and Nutrition	2,501.00	
NASBO Regional Meeting, SC Host	9,611.00	
Clemson University/Fire Ant Research	30,000.00	
Catawba Indian Suit/Legal Fees	125,000.00	
Commission on Women	6,000.00	
Board of Examiners, LPC, AC, M&FT*	<u>23,140.00</u>	
		\$203,605.23

YTD Encumbered (Trans, Expend and Encumb): \$362,625.00

Year-to-date Disbursement: \$159,019.77

Balance (Cash available at 11/05/86): \$335,604.23

Balance Unencumbered (Total Available): \$131,999.00

EXHIBIT

NOV 5 1986 NO. 14

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986

NO. 15

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

REGULAR SESSION
ITEM NUMBER

8

AGENCY: Executive Director

SUBJECT: Civil Contingent Fund (Interim Study Committee on Hunger/Nutrition)

The Interim Study Committee on Hunger and Nutrition requests an additional \$184.69 Civil Contingent Fund allocation to pay printing costs.

On July 29, the Board allocated \$2,501 to cover the cost of printing the Committee's report. Actual printing expenses totalled \$2,685.69.

BOARD ACTION REQUESTED:

Allocate \$184.69 from the Civil Contingent Fund to the Interim Study Committee on Hunger and Nutrition to pay printing costs.

ATTACHMENTS:

Kellum October 22 memo to McInnis; Civil Contingent Fund status report

04671

EXHIBIT

NOV 5 1986 NO. 15

State of South Carolina

State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

October 22, 1986

MEMORANDUM TO: William A. McInnis

FROM: Naomi Kellum *NK*

SUBJECT: Civil Contingent Fund Encumbrance
for the Interim Study Committee on
Hunger and Nutrition

Please prepare an agenda item for an additional \$184.69 allocation from the Civil Contingent Fund to the above mentioned Committee for consideration by the Board at its next meeting.

History of the account to date follows:

FY 86	4/08/86	\$5,000.00	Encumbered
	6/18/86	\$2,499.00	Wordworks (writing the report)
	Balance	\$2,501.00	
FY 87	7/29/86	\$2,501.00	Encumbered
	10/21/86	\$2,685.69	Wentworth Printing (printing)
	Difference	\$ 184.69	

With Dr. Coles' concurrence I paid the entire Wentworth invoice rather than holding up payment or making a partial payment requiring the cutting of two checks.

/s

ATTACHMENT

04672

EXHIBIT

NOV 5 1986 NO. 1 6

STATE BUDGET AND CONTROL ~~STATE~~ BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF November 5, 1986 ITEM NUMBER 9

AGENCY: State Housing Authority

SUBJECT: \$50,000,000 Homeownership Mortgage Bonds; Ceiling Allocation

The Housing Authority seeks preliminary Board approval of the issuance and sale of its 1986 Series A. Bonds in an amount estimated to be \$50,000,000. The preliminary approval is subject to final Board approval of:

- (a) all information required by Section 31-13-220;
- (b) true interest cost of the Bonds such that loans at an interest rate not to exceed 8.5% may be purchased at a discount not exceeding two points, subject to the State Treasurer's approval;
- (c) the form and substance of a Supplemental Resolution;
- (d) the terms and conditions of the Contract of Purchase between the Authority and the Underwriters; and
- (e) the Preliminary and Final Official Statements.

The State Ceiling allocation request is the first by the Housing Authority. It is necessary because of the Tax Reform Act of 1986.

BOARD ACTION REQUESTED:

Grant preliminary approval to the issuance and sale of \$50,000,000 of State Housing Authority Homeownership Bonds and approve an allocation of \$50,000,000 of the State Ceiling for such bonds.

ATTACHMENTS:

Housing Authority Petition; October 8 Commission meeting minutes

04673

EXHIBIT

NOV 5 1986 NO. 16

State of South Carolina

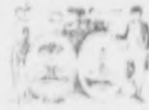
State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: State Housing Authority
\$50,000,000
Homeownership Mortgage Bonds
(1986 Series A Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04674

1986 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION
Allocated/issued after August 15, 1986

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue	Issue Date
10/30/86	STATE GOVERNMENT POOL		\$100,410,000				
05/27/86	Family Farm Dev.	James Earl Bozard		-190,000			
07/15/86	Family Farm Dev.	Frank M. Senn, Sr.		-240,000			
07/15/86	Family Farm Dev.	Barbara Ann Senn		-250,000			
07/15/86	Family Farm Dev.	Sandra K. Senn		-250,000			
09/09/86	JEDA	Palmetto Tile Distributors		-1,000,000			
09/09/86	JEDA	Standish Associates		-1,000,000			
09/09/86	JEDA	Rainbow Oil Co., Inc.		-600,000			
10/07/86	Family Farm Dev.	Alton J. Barnett, Jr.		-130,000		130,000	10/10/86
10/07/86	Family Farm Dev.	Vince Timpson Arrington		-150,000		150,000	10/10/86
10/21/86	Family Farm Dev.	John C. Cato		-175,000			
10/21/86	Family Farm Dev.	James T. Sprouse		-300,000			
11/05/86	State Housing Auth.	Homeownership Bonds		-50,000,000			
	Total Allocated			-54,285,000		280,000	
	Total, State Government Pool		\$100,410,000	-54,285,000	\$46,125,000	280,000	
10/30/86	LOCAL POOL		\$150,615,000				
07/15/86	Richland County	Trinity Knoll		-3,500,000			
07/15/86	Fairfield County	Rite Aid of SC, Inc.		-10,000,000			
07/15/86	Lancaster County	Aeroquip Corporation		-2,200,000		2,200,000	09/11/86
07/29/86	Spartanburg County	Structofab, Inc.		-600,000		600,000	08/20/86
07/29/86	Spartanburg County	Holmberg Electronics Corp.		-650,000		650,000	08/26/86
08/13/86	Spartanburg County	Indever		-1,200,000		1,200,000	10/02/86
08/13/86	Lexington County	A. M. Quattlebaum, Sr.		-1,000,000		1,000,000	10/10/86
08/28/86	Winnsboro, Town of	Natural Gas Distr.		-2,700,000			
08/28/86	Spartanburg County	W J Partnership		-5,000,000		5,000,000	09/11/86
08/28/86	Greenville County	Span America		-3,000,000		3,000,000	09/25/86
08/28/86	Greenville County	Merscot-Greenville		-19,340,000		19,340,000	11/06/86
09/09/86	Charleston County	Coburg Dairy		-5,000,000			
09/23/86	Charleston County	NOCs S. Atlantic Storage		-4,000,000			
09/23/86	Congaree Vista	Pavillion Towers		-15,000,000			
10/07/86	Sumter County	Metokote Corporation		-2,700,000			
11/05/86	Greenville County	Hart-Greenville		-180,000			
	Total Allocated			-76,070,000		32,990,000	
	Total, Local Pool		\$150,615,000	-76,070,000	\$74,545,000	32,990,000	
	Total, State Government Pool		\$100,410,000	-54,285,000	\$46,125,000	280,000	
	Total, Local Pool		\$150,615,000	-76,070,000	\$74,545,000	32,990,000	
	GRAND TOTAL		\$251,025,000	-130,355,000	\$120,670,000	33,270,000	

Greenville County Chestnut Hill

6,000,000

114,670,000

EXHIBIT
NOV 5 1986
NO. 18
STATE BUDGET & CONTROL BOARD

04675

STATE CEILING AMOUNT AVAILABLE FOR ISSUE/ALLOCATION
AFTER AUGUST 15, 1986

Certified State Ceiling (10/31/86):	\$251,025,000
A. State Government Pool (40%)	<u>100,410,000</u>
State Government Pool (40%)	<u>100,410,000</u>
B. Local Pool (60%)	<u>150,615,000</u>
Local Pool (60%)	<u>150,615,000</u>

EXHIBIT

NOV 5 1986 NO. 16

PETITION

STATE BUDGET & CONTROL BOARD

TO: THE HONORABLE, THE STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA:

1. Pursuant to Chapter 13, Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "Board"), the South Carolina State Housing Authority (the "Authority") is empowered to issue bonds the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and of moderate to low income (the "beneficiary classes") at prices which such persons can afford.

2. The Authority has heretofore issued \$730,215,000 of its bonds to provide mortgage loans to the beneficiary classes. Of this amount the Authority has issued \$255,740,000 of its South Carolina State Housing Authority Single Family Mortgage Purchase Bonds, 1979 Series A and 1979 Series B pursuant to a Trust Indenture dated January 1, 1979. The Authority has also issued \$475,075,000 of its South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1982 Series A, 1983 Series A, 1983 Series B, 1984 Series A, 1985 Series A and 1985 Series B pursuant to a General Resolution adopted by the Authority on September 21, 1982.

3. In light of additional demand for mortgage loans, the Authority proposes to make provision for the issue of a seventh series of South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds (the "1986 Series A Bonds") in an amount now estimated to ~~be~~ \$50,000,000 with the final amount to be determined on the basis of apparent demand for the mortgage loans to be made with the proceeds of the 1986 Series A Bonds.

4. It is anticipated that the 1986 Series A Bonds will be sold to underwriters (the "Underwriters"), headed by Morgan Guaranty Trust Company of New York, at a price to be approved by the Board and consist of Bonds bearing interest at an average rate which will enable the Authority to make mortgage loans to the beneficiary classes at the rate not to exceed 8.50% per annum.

5. The Board is requested to give due consideration to the proposed undertaking of the Authority and to give preliminary approval to the issuance and sale of the 1986 Series A Bonds, subject to final approval by the Board of those matters set forth herein below:

(a) The submission to the Board of all information required to be submitted pursuant to Section 31-13-220 of the Act;

(b) The true interest cost of the 1986 Series A Bonds to the Authority shall be such that mortgage loans bearing interest at a rate

04676

not to exceed 8.50% per annum may be purchased at a discount not exceeding two points and such rate shall be approved by the State Treasurer as being reasonable reflective of existing market conditions;

(c) The approval by the Board of the form and substance of a Supplemental Resolution defining the terms and conditions of the 1986 Series A Bonds;

(d) The approval by the Board of the terms and conditions of the Contract of Purchase between the Authority and the Underwriters; and

(e) The confirmatory approval of the Board to the Preliminary and Final Official Statements which offered the proposed Bonds.

6. The Board is requested to allocate \$50,000,000 of the State Ceiling for Private Activity Bonds to the Authority for the purpose of the 1986 Series A Bonds.

Respectfully submitted,

THE SOUTH CAROLINA
STATE HOUSING AUTHORITY

By: 

Linwood H. Ransom, Jr.
Executive Director

Columbia, South Carolina
October 15, 1986

EXHIBIT

NOV 5 1986 NO. 16

STATE BUDGET & CONTROL BOARD

04677

10-23-86



SOUTH CAROLINA STATE HOUSING AUTHORITY

1710 GERVAIS STREET • SUITE 300 • COLUMBIA, SOUTH CAROLINA 29201

October 23, 1986

EXHIBIT

NOV 5 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles
Executive Director
South Carolina State Budget
and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: South Carolina State Housing Authority Tax-Exempt Bond Issue

Dear Dr. Coles:

I am enclosing a revised Petition and proposed Resolution granting conditional approval for the Authority's proposed issuance of \$50 million of its Homeownership Mortgage Purchase Bonds, 1986 Series A. I also enclose copies of Cash Flow Certificates relating to the Authority's currently outstanding bonds.

With warm regards.

Sincerely,

Linwood H. Ransom
Executive Director

LHR/fh

C4678

EXHIBIT

NOV 5 1986 NO. 16

STATE BUDGET & CONTROL BOARD

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

RESOLUTION
NOT ADOPTED
BUT ALLOCATION
GRANTED

GRANTING TO THE SOUTH CAROLINA STATE HOUSING AUTHORITY A \$50,000,000 ALLOCATION OF THE 1986 STATE CEILING FOR PRIVATE ACTIVITY BONDS AND CONDITIONALLY APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING AUTHORITY OF AN ISSUE OF SOUTH CAROLINA STATE HOUSING AUTHORITY HOMEOWNERSHIP MORTGAGE PURCHASE BONDS 1986 SERIES A

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina 1976, as amended (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "Board"), the South Carolina State Housing Authority (the "Authority") is empowered to issue bonds the principal proceeds of which will be applied to providing sanitary and safe residential housing for persons and families of low income and of moderate to low income (the "beneficiary classes") at prices which such persons can afford; and

WHEREAS, the Authority has heretofore issued \$730,215,000 of its bonds to provide mortgage loans to the beneficiary classes, of which \$255,750,000 was issued in the form of South Carolina State Housing Authority Single Family Mortgage Purchase Bonds, 1979 Series A and 1979 Series B, pursuant to a Trust Indenture dated January 1, 1979, and the remaining \$475,075,000 has been issued in the form of South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1982 Series A, 1983 Series A, 1983 Series B, 1984 Series A, 1985 Series A and 1985 Series B pursuant to a General Resolution adopted by the Authority on September 21, 1982; and

WHEREAS, in light of additional demand for mortgage loans, the Authority proposes to make provision for the issuance of a seventh series of South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds (the "1986 Series A Bonds") in an amount now estimated to be \$50,000,000 with the final amount to be determined on the basis of apparent demand for the mortgage loans to be made with the proceeds of the 1986 Series A Bonds; and

WHEREAS, it is anticipated that the 1986 Series A Bonds will be sold to underwriters (the "Underwriters"), headed by Morgan Guaranty Trust Company of New York, at a price to be approved by the Board and consisting of Bonds bearing interest at an average rate which will enable the Authority to make mortgage loans to the beneficiary classes at the rate not to exceed 8.50% per annum; and

WHEREAS, the Board has given due consideration to the proposed undertaking of the Authority and has determined to grant to the Authority a \$50,000,000 allocation of the 1986 State Ceiling for private activity bonds and to give preliminary approval to the issuance and sale of the 1986 Series A Bonds, subject to final approval by the Board of those matters set forth in Section 3 hereof.

04679

EXHIBIT

NOV 5 1986 NO. 1 6

STATE BUDGET & CONTROL BOARD

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

Section 1.

It is found and determined that the facts set forth in the preamble to this Resolution are in all respects true and correct.

Section 2.

The South Carolina State Housing Authority is granted a \$50,000,000 allocation of the 1986 State Ceiling for private activity bonds, to be used for the purposes set forth hereinbelow.

Section 3.

Subject to the conditions set forth in Section 3 hereof, approval is hereby granted by the Board to the issuance and sale by the Authority of \$50,000,000 South Carolina State Housing Authority Homeownership Purchase Bonds, 1986 Series A.

The 1986 Series A Bonds shall be secured by the Resolution (the "Resolution") adopted by the Authority on September 21, 1982, and shall be subject to such terms and conditions as shall be set forth in a Supplemental Resolution which shall hereafter be adopted by the Authority. Such terms and conditions shall thereafter be submitted to this Board for its approval. Permission is hereby granted to the Authority to circulate a Preliminary Official Statement as a means of effecting the offering of the 1986 Series A Bonds, the form of which Preliminary Official Statement shall be approved by the Executive Director of the Authority and the State Treasurer.

Section 4.

The approval herewith granted is subject to:

(a) The submission to the Board of all information required to be submitted pursuant to Section 31-13-220 of the Act;

(b) The true interest cost of the 1986 Series A Bonds to the Authority shall be such that mortgage loans bearing interest at a rate not to exceed 8.50% per annum may be purchased at a discount not exceeding two points and such rate shall be approved by the State Treasurer as being reasonably reflective of existing market conditions;

(c) The approval by the Board of the form and substance of a Supplemental Resolution defining the terms and conditions of the 1986 Series A Bonds;

(d) The approval by the Board of the terms and conditions of the Contract of Purchase between the Authority and the Underwriters; and

(e) The confirmatory approval of this Board to the Preliminary and Final Official Statements which offered the proposed Bonds.

04680

RESOLUTION
NOT ADOPTED

EXHIBIT

NOV 5 1986 NO. 16

Section 5.

STATE BUDGET & CONTROL BOARD

Conditional approval is granted to the undertaking of the Authority to make mortgage loans to members of the beneficiary classes to enable such borrowers to acquire single family homes with all available proceeds from the 1986 Series A Bonds; said mortgages to bear interest and to be purchased pursuant to the provisions of subparagraph (b) of Section 3, above.

04681

SOUTH CAROLINA STATE HOUSING AUTHORITY
1977 AIR SINGLE FAMILY MORTGAGE PURCHASE FUNDS
1984 CASH FLOW CERTIFICATE
15 % F.R.A. PREPAYMENT RATE

EXHIBIT

NOV 5 1986

NO. 1.6

CASH FLOWS TO ISSUER

STATE BUDGET & CONTROL BOARD

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVCHG. 1ADHI INSR. 10THER NET OF FLOAT. 1. PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME/EXPEN AND CHANGE. I CASH/RESERVE	TOTAL CASH RELEASED (REQUIRED) TO. (FROM) ISSUER
1.011985	2,307,802	8,311,177	232,334	10,386,644	0	7,353,233	7,353,233	(3,033,412)	(0)
7.011985	2,367,455	8,218,878	241,014	10,345,319	8,085,000	7,353,233	15,438,233	5,092,913	0
1.011986	2,416,965	8,124,336	268,222	10,273,080	0	7,118,198	7,118,198	(3,154,882)	(0)
7.011986	2,456,285	8,028,050	272,599	10,211,735	8,745,000	7,118,198	15,863,198	5,651,462	0
1.011987	2,496,769	7,930,162	289,046	10,135,863	0	6,863,258	6,863,258	(3,276,626)	0
7.011987	2,551,572	7,830,442	284,693	10,097,321	8,775,000	6,863,258	15,638,258	5,540,936	0
1.011988	2,603,358	7,726,607	280,249	10,051,717	0	6,606,744	6,606,744	(3,444,973)	(0)
7.011988	2,626,140	7,625,024	275,927	9,975,237	8,905,000	6,606,744	15,511,744	5,536,507	0
1.011989	2,635,605	7,520,924	271,780	9,884,749	0	6,345,769	6,345,769	(3,536,980)	(0)
7.011989	2,596,727	7,417,097	268,008	9,747,816	8,965,000	6,345,769	15,310,769	5,562,953	(0)
1.011990	2,590,403	7,314,531	264,132	9,640,801	0	6,081,574	6,081,574	(3,559,228)	(0)
7.011990	2,607,071	7,211,769	259,981	9,558,859	9,215,000	6,081,574	15,296,574	5,737,715	(0)
1.011991	2,643,652	7,108,069	255,634	9,496,087	625,000	5,804,414	6,429,414	(3,066,673)	0
7.011991	2,698,175	7,002,597	251,047	9,449,725	8,635,000	5,763,246	14,418,246	4,968,522	(0)
1.011992	2,761,781	6,894,807	246,283	9,410,305	595,000	5,521,741	6,116,741	(3,293,564)	0
7.011992	2,836,743	6,784,321	241,317	9,379,748	8,545,000	5,501,511	14,046,511	4,666,764	(0)
1.011993	2,914,306	6,670,796	236,197	9,348,906	585,000	5,239,455	5,824,455	(3,524,451)	0
7.011993	2,996,454	6,554,141	230,920	9,319,675	8,510,000	5,219,506	13,729,506	4,409,831	(0)
1.011994	3,079,086	6,434,208	225,505	9,267,789	575,000	4,956,586	5,531,586	(3,756,203)	(0)
7.011994	3,164,004	6,310,982	219,947	9,255,039	8,545,000	4,936,911	13,481,911	4,226,872	0
1.011995	3,250,637	6,184,357	214,237	9,220,758	560,000	4,670,276	5,230,276	(3,990,421)	(0)
7.011995	3,340,508	6,054,258	208,366	9,186,400	8,590,000	4,651,021	13,241,021	4,054,621	(0)
1.011996	3,432,168	5,920,565	202,337	9,150,397	545,000	4,380,309	4,925,309	(4,225,088)	(0)
7.011996	3,525,893	5,783,214	196,148	9,112,939	8,715,000	4,361,494	13,076,494	3,963,535	(0)
1.011997	3,622,228	5,642,110	189,790	9,074,549	520,000	4,084,676	4,604,676	(4,469,672)	(0)
7.011997	3,720,786	5,497,155	183,261	9,034,680	8,835,000	4,066,860	12,901,860	3,867,180	(0)
1.011998	3,822,871	5,348,247	176,550	8,994,568	490,000	3,784,418	4,274,418	(4,720,150)	(0)
7.011998	3,927,498	5,195,250	169,654	8,953,094	8,930,000	3,767,355	12,697,355	3,744,261	0
1.011999	4,036,427	5,038,051	162,560	8,911,918	455,000	3,479,805	3,934,805	(4,977,113)	(0)
7.011999	4,148,229	4,876,483	155,267	8,869,445	8,895,000	3,463,880	12,358,880	3,489,435	(0)
1.012000	4,264,225	4,710,422	147,762	8,826,885	420,000	3,157,160	3,577,160	(5,249,725)	0
7.012000	4,389,031	4,539,700	140,024	8,788,708	8,700,000	3,142,460	11,842,460	3,053,752	0
1.012001	4,525,962	4,363,776	131,947	8,757,791	405,000	2,842,505	3,247,505	(5,510,286)	0
7.012001	4,688,039	4,182,099	123,454	8,746,683	8,445,000	2,828,330	11,273,330	2,526,647	(0)
1.012002	4,847,400	3,993,927	114,695	8,726,642	425,000	2,537,195	2,962,195	(5,764,447)	(0)
7.012002	5,013,840	3,799,411	105,637	8,707,613	8,150,000	2,522,320	10,672,320	1,964,707	(0)
1.012003	5,175,045	3,598,313	96,348	8,677,009	435,000	2,241,383	2,676,383	(6,000,627)	(0)
7.012003	5,342,424	3,390,802	86,782	8,646,444	7,765,000	2,226,158	9,991,158	1,344,714	(0)
1.012004	5,504,906	3,176,676	76,975	8,604,607	430,000	1,958,523	2,388,523	(6,216,085)	0
7.012004	5,672,441	2,956,096	66,895	8,561,642	7,260,000	1,943,473	9,203,473	641,830	(0)
1.012005	5,833,335	2,728,902	56,580	8,505,657	405,000	1,693,250	2,098,250	(6,407,407)	0
7.012005	5,989,275	2,495,517	46,102	8,438,690	6,715,000	1,679,075	8,394,075	(44,615)	(0)
1.012006	6,146,614	2,255,883	35,347	8,367,150	365,000	1,447,688	1,812,688	(6,554,462)	(0)

04682

SOUTH CAROLINA STATE HOUSING AUTHORITY
1979 AHS SINGLE FAMILY MORTGAGE PURCHASE BONDS
1984 CASH FLOW CERTIFICATE
15 1/2 F.R.A. PREPAYMENT RATE

CASH FLOWS TO ISSUER
=====

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVCNG. 1ADM INSR. & OTHER NET OF FLOAT. 1. PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME: EXPEN AND CHANGE IN CASH RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
7.012006	6,311,663	2,009,942	24,298	8,297,307	6,135,000	1,434,913	7,569,913	(727,354)	
1.012007	6,475,085	1,757,442	12,989	8,219,538	305,000	1,223,563	1,528,563	(6,690,976)	(
7.012007	6,650,563	1,496,363	1,350	8,147,577	5,480,000	1,212,888	6,692,888	(1,454,685)	(
1.012008	6,820,868	1,232,314	(10,561)	8,063,742	250,000	1,024,163	1,274,163	(6,789,580)	(
7.012008	6,996,251	959,444	(22,777)	7,976,471	7,425,000	1,015,413	8,440,413	461,941	
1.012009	7,140,616	680,041	(35,008)	7,855,665	175,000	762,153	937,153	(6,918,512)	(
7.012009	6,174,680	406,019	(40,083)	6,620,783	10,605,000	756,026	11,361,026	4,740,245	(
1.012010	4,690,710	185,128	(35,678)	4,911,517	45,000	391,048	436,048	(4,475,465)	(
7.012010	1,872,077	43,361	(17,280)	1,932,718	8,115,000	389,473	8,504,473	6,571,755	(
1.012011	178,175	1,536	(2,256)	182,407	0	109,025	109,025	(73,382)	
7.012011	0	0	0	0	3,115,000	109,025	3,224,025	143,533,730	140,309,7
1.012012	0	0	0	0	0	0	0	0	
7.012012	0	0	0	0	0	0	0	0	
1.012013	0	0	0	0	0	0	0	0	
7.012013	0	0	0	0	0	0	0	0	
1.012014	0	0	0	0	0	0	0	0	
7.012014	0	0	0	0	0	0	0	0	
1.012015	0	0	0	0	0	0	0	0	
7.012015	0	0	0	0	0	0	0	0	
1.012016	0	0	0	0	0	0	0	0	
7.012016	0	0	0	0	0	0	0	0	
1.012017	0	0	0	0	0	0	0	0	
7.012017	0	0	0	0	0	0	0	0	
1.012018	0	0	0	0	0	0	0	0	
7.012018	0	0	0	0	0	0	0	0	
1.012019	0	0	0	0	0	0	0	0	
7.012019	0	0	0	0	0	0	0	0	
.000000	210,884,823	257,526,125	8,076,498	460,334,449	227,410,000	203,058,418	430,468,418	110,443,673	140,309,7

04683

SOUTH CAROLINA STATE HOUSING AUTHORITY
1981, 1982, 1983, 1984, 1985 HOMEOWNERS' MORTGAGE PURCHASE BONDS
1985 CASH FLOW ANALYSIS - SERIES B: 100% ORIGINATED - C & FNA
ZERO & F.N.A. PREPAYMENT RATE

CASH FLOWS TO ISSUER
=====

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SUCH AS ADMS INSTR. OTHER NET OF FLOAT. & PEN ALT. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME EXPEN AND CHANGE IN CASH RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
1.01.1986	641,242	16,459,711	244,719	16,856,234	0	22,808,047	22,808,047	5,951,833	0
7.01.1986	677,192	16,451,894	243,194	16,885,894	9,800,000	22,808,047	32,608,047	15,722,173	0
1.01.1987	926,903	20,211,342	345,874	20,792,349	0	22,258,097	22,258,097	6,465,728	0
7.01.1987	1,180,431	23,709,949	378,788	24,511,791	3,415,000	22,258,097	25,873,097	1,361,304	0
1.01.1988	1,244,485	23,674,299	376,324	24,542,457	2,280,000	22,065,921	24,345,921	1,194,537	0
7.01.1988	1,311,822	23,635,167	373,753	24,573,236	4,445,000	21,940,753	26,385,753	1,842,517	0
1.01.1989	1,382,834	23,592,360	371,063	24,604,132	3,530,000	21,694,838	25,221,838	417,706	0
7.01.1989	1,457,727	23,545,174	368,250	24,635,151	4,160,000	21,493,363	25,653,363	1,018,212	0
1.01.1990	1,534,714	23,494,892	365,304	24,644,300	4,195,000	21,260,171	25,455,171	788,871	0
7.01.1990	1,620,026	23,439,786	362,225	24,697,587	4,500,000	21,023,087	25,523,087	825,500	0
1.01.1991	1,707,903	23,380,144	358,999	24,729,018	4,740,000	20,770,202	25,510,202	781,183	0
7.01.1991	1,800,403	23,315,421	355,621	24,760,403	5,080,000	20,515,139	25,595,139	834,537	0
1.01.1992	1,898,396	23,246,033	352,082	24,792,348	5,340,000	20,228,420	25,568,420	776,072	0
7.01.1992	2,001,571	23,171,044	348,372	24,824,243	5,690,000	19,972,792	25,442,792	838,529	0
1.01.1993	2,110,432	23,090,409	344,484	24,856,357	5,980,000	19,650,547	25,630,547	774,189	0
7.01.1993	2,225,303	23,003,744	340,404	24,888,641	6,345,000	19,361,881	25,706,881	838,240	0
1.01.1994	2,344,527	22,910,724	336,129	24,921,124	6,700,000	19,000,203	25,700,203	779,079	0
7.01.1994	2,474,470	22,810,988	331,440	24,953,818	0	18,670,834	18,670,834	6,282,984	0
1.01.1995	2,609,520	22,704,145	326,930	24,986,735	14,255,000	18,670,834	32,925,834	7,939,100	0
7.01.1995	2,752,088	22,589,782	323,355	24,968,514	0	17,903,328	17,903,328	7,065,181	0
1.01.1996	2,902,614	22,456,246	318,122	24,987,738	15,800,000	17,903,328	33,703,328	8,815,589	0
7.01.1996	3,061,566	22,314,284	311,024	24,909,826	0	17,043,619	17,043,619	7,846,207	0
1.01.1997	3,229,442	22,174,613	304,501	24,943,554	17,490,000	17,043,619	34,553,619	9,610,065	0
7.01.1997	3,406,776	22,025,486	296,689	24,977,573	0	16,167,744	16,167,744	8,809,829	0
1.01.1998	3,594,134	21,866,333	288,570	25,011,897	19,425,000	16,167,744	35,592,744	10,580,846	0
7.01.1998	3,792,126	21,696,547	279,127	25,046,544	2,020,000	15,166,079	17,186,079	7,840,466	0
1.01.1999	4,001,403	21,515,476	269,342	25,081,537	19,690,000	15,058,767	34,748,767	9,667,230	0
7.01.1999	4,222,443	21,322,421	258,194	25,116,889	5,650,000	14,045,979	19,695,979	5,420,910	0
1.01.2000	4,456,658	21,116,633	245,666	25,152,624	18,625,000	13,745,823	32,370,823	7,218,198	0
7.01.2000	4,704,192	20,897,305	232,733	25,188,764	9,665,000	12,796,753	22,441,753	2,727,011	0
1.01.2001	4,966,195	20,663,567	219,371	25,225,331	17,415,000	12,283,672	29,698,672	4,473,340	0
7.01.2001	5,243,427	20,414,482	195,554	25,262,352	14,185,000	11,395,408	25,580,408	318,055	0
1.01.2002	5,537,080	20,149,034	161,261	25,299,853	14,040,000	10,666,233	26,666,233	1,366,390	0
7.01.2002	5,848,198	19,866,122	126,459	25,337,861	14,275,000	9,862,604	26,137,604	799,743	0
1.01.2003	6,177,978	19,564,548	91,118	25,376,408	17,135,000	9,028,854	26,163,854	787,447	0
7.01.2003	6,525,456	19,243,505	55,294	25,404,667	18,705,000	8,179,817	26,884,817	778,150	0
1.01.2004	6,884,576	18,904,049	20,543	25,418,103	18,995,000	7,221,402	26,216,402	798,299	0
7.01.2004	7,246,788	18,544,437	332,114	25,276,112	19,740,000	6,311,428	26,051,428	775,316	0
1.01.2005	7,614,408	18,172,724	320,976	25,185,157	20,615,000	5,349,428	25,964,428	766,271	0
7.01.2005	7,993,191	17,779,715	309,304	25,073,603	21,440,000	4,389,844	25,829,844	756,211	0
1.01.2006	8,384,273	17,347,047	296,750	25,054,571	22,415,000	3,384,844	25,799,844	745,273	0
7.01.2006	8,787,623	16,925,903	282,705	25,019,821	23,500,000	2,334,141	25,834,141	737,319	0
1.01.2007	9,195,525	16,452,204	267,845	25,139,887	24,640,000	1,232,578	25,872,578	732,491	0
7.01.2007	9,613,587	15,942,351	252,112	25,193,826	4,655,000	77,578	1,732,578	726,459	24,177,904
1.01.2008	10,072,339	15,394,805	235,443	25,228,700	0	0	0	13,323	25,242,023
7.01.2008	11,585,843	14,797,430	214,664	26,168,608	0	0	0	13,490	26,131,418
1.01.2009	12,423,916	14,175,340	195,892	26,403,364	0	0	0	13,490	25,366,173
7.01.2009	13,888,087	13,511,942	178,774	26,221,256	0	0	0	13,490	25,184,015
1.01.2010	15,580,847	12,800,156	158,419	26,222,584	0	0	0	13,490	25,185,314
7.01.2010	17,306,610	12,035,259	136,869	26,205,000	0	0	0	13,490	25,167,510
1.01.2011	19,121,707	11,212,719	114,048	26,220,378	0	0	0	13,490	25,182,961
7.01.2011	21,039,606	10,322,911	89,329	26,273,187	0	0	0	13,490	25,235,770
1.01.2012	23,085,182	9,355,174	63,009	26,327,344	0	0	0	13,490	25,289,929
7.01.2012	25,228,773	8,288,635	34,948	26,392,460	0	0	0	13,490	25,345,013
1.01.2013	27,462,542	7,065,183	4,958	26,432,747	0	0	0	13,490	25,395,257
7.01.2013	29,802,134	5,380,518	(174,857)	26,457,509	0	0	0	13,490	25,449,999
1.01.2014	32,253,784	3,254,818	(105,145)	26,015,747	0	0	0	13,490	25,978,080
7.01.2014	34,841,198	2,411,910	(57,903)	26,111,012	0	0	0	13,490	26,081,478
1.01.2015	37,547,930	1,753,207	(57,516)	26,958,454	0	0	0	13,490	26,192,124
7.01.2015	40,395,107	1,171,798	(57,745)	26,374,670	0	0	0	240,265	26,584,935
1.01.2016	43,413,038	742,048	(38,742)	26,743,848	0	0	0	0	26,743,848
7.01.2016	46,502,935	392,024	(50,744)	26,755,852	0	0	0	0	26,755,852

000000 435,502,935 16,906,574 451,715,000 64,238,921 37,170,425 432,648,265

04684

SOUTH CAROLINA STATE HOUSING AUTHORITY
1981 AND MULTIFAMILY DEVELOPMENT REVENUE BONDS
1981 CASH FLOW CERTIFICATE
ZERO & F.I.R.A. PREPAYMENT RATE

CASH FLOW TO ISSUER
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DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS BOND. EXCHG. INSTR. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME/EXPEN AND CHANGE IN CASH/RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
1.011985	12,783	1,375,144	(23,278)	1,411,205	680,000	1,587,648	2,267,648	856,443	(
7.011985	13,569	1,374,357	(16,115)	1,404,042	105,000	1,542,596	1,647,596	243,556	(
1.011986	14,404	1,373,523	(16,115)	1,404,042	0	1,537,741	1,537,741	133,700	(
7.011986	15,290	1,372,636	(16,115)	1,404,042	115,000	1,537,741	1,652,741	246,700	(
1.011987	16,230	1,371,696	(16,115)	1,404,042	0	1,532,173	1,532,173	126,131	(
7.011987	17,229	1,370,697	(16,115)	1,404,042	120,000	1,532,173	1,652,173	246,131	(
1.011988	18,289	1,369,637	(16,115)	1,404,042	0	1,526,091	1,526,091	122,050	(
7.011988	19,414	1,368,512	(16,115)	1,404,042	125,000	1,526,091	1,651,091	247,050	(
1.011989	20,609	1,367,318	(16,115)	1,404,042	0	1,519,473	1,519,473	115,431	(
7.011989	21,876	1,366,050	(16,115)	1,404,042	135,000	1,519,473	1,654,473	250,431	(
1.011990	23,222	1,364,704	(16,115)	1,404,042	0	1,512,001	1,512,001	107,959	(
7.011990	24,651	1,363,276	(16,115)	1,404,042	140,000	1,512,001	1,652,001	247,959	(
1.011991	26,167	1,361,758	(16,115)	1,404,042	0	1,503,941	1,503,941	99,899	(
7.011991	27,777	1,360,149	(16,115)	1,404,042	155,000	1,503,941	1,658,941	254,899	(
1.011992	29,486	1,358,440	(16,115)	1,404,042	0	1,494,844	1,494,844	90,803	(
7.011992	31,300	1,356,626	(16,115)	1,404,042	160,000	1,494,844	1,674,844	270,803	(
1.011993	33,226	1,354,701	(16,115)	1,404,042	0	1,484,082	1,484,082	80,040	(
7.011993	35,270	1,352,657	(16,115)	1,404,042	175,000	1,484,082	1,679,082	275,040	(
1.011994	37,440	1,350,497	(16,115)	1,404,042	0	1,472,244	1,472,244	68,203	(
7.011994	39,743	1,348,184	(16,115)	1,404,042	225,000	1,472,244	1,697,244	293,202	(
1.011995	42,186	1,345,739	(16,115)	1,404,042	0	1,458,391	1,458,391	54,349	(
7.011995	44,783	1,343,143	(16,115)	1,404,042	245,000	1,458,391	1,703,391	299,349	(
1.011996	47,538	1,340,388	(16,115)	1,404,042	0	1,443,078	1,443,078	39,036	(
7.011996	50,463	1,337,464	(16,115)	1,404,042	260,000	1,443,078	1,723,078	319,036	(
1.011997	53,568	1,334,359	(16,115)	1,404,042	0	1,424,928	1,424,928	20,886	(
7.011997	56,862	1,331,064	(16,115)	1,404,042	320,000	1,424,928	1,744,928	340,886	(
1.011998	60,361	1,327,565	(16,115)	1,404,042	0	1,404,191	1,404,191	149	(
7.011998	64,075	1,323,852	(16,115)	1,404,042	360,000	1,404,191	1,764,191	360,149	(
1.011999	68,017	1,319,910	(16,115)	1,404,042	0	1,380,866	1,380,866	(23,176)	(
7.011999	72,201	1,315,726	(16,115)	1,404,042	405,000	1,380,866	1,785,866	361,824	(
1.012000	76,643	1,311,284	(16,115)	1,404,042	0	1,354,588	1,354,588	(49,455)	(
7.012000	81,358	1,306,569	(16,115)	1,404,042	460,000	1,354,588	1,814,588	410,545	(
1.012001	86,363	1,301,563	(16,115)	1,404,042	0	1,337,331	1,337,331	(66,711)	(
7.012001	91,676	1,296,250	(16,115)	1,404,042	495,000	1,337,331	1,832,331	428,289	(
1.012002	97,316	1,290,610	(16,115)	1,404,042	0	1,318,734	1,318,734	(85,308)	(
7.012002	103,303	1,284,624	(16,115)	1,404,042	530,000	1,318,734	1,848,734	444,692	(
1.012003	109,659	1,278,268	(16,115)	1,404,042	0	1,298,797	1,298,797	(105,245)	(
7.012003	116,405	1,271,522	(16,115)	1,404,042	550,000	1,298,797	1,848,797	444,755	(
1.012004	123,564	1,264,361	(16,115)	1,404,042	0	1,277,928	1,277,928	(126,114)	(
7.012004	131,168	1,256,759	(16,115)	1,404,042	585,000	1,277,928	1,862,928	456,886	(
1.012005	139,237	1,248,650	(16,115)	1,404,042	0	1,255,719	1,255,719	(146,324)	(
7.012005	147,803	1,240,124	(16,115)	1,404,042	635,000	1,255,719	1,890,719	486,676	(
1.012006	156,894	1,231,031	(16,115)	1,404,042	0	1,231,528	1,231,528	(179,574)	(

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SOUTH CAROLINA STATE HOUSING AUTHORITY
1981 ARI MULTIFAMILY DEVELOPMENT REVENUE BONDS
1984 CASH FLOW CERTIFICATE
ZERO & F.R.A. PREPAYMENT RATE

CASH FLOWS TO ISSUER

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DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SUCHG. SADM INSR. & OTHER NET OF FLOAT. I. PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME/EXPEN AND CHANGE IN CASH/RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUE
7.012006	166,548	1,221,379	(16,115)	1,404,042	660,000	1,231,528	1,911,528	507,486	
1.012007	176,795	1,211,132	(16,115)	1,404,042	0	1,205,531	1,205,531	(196,511)	(
7.012007	187,671	1,200,206	(16,115)	1,404,042	650,000	1,205,531	1,855,531	451,489	
1.012008	199,217	1,188,710	(16,115)	1,404,042	0	1,180,238	1,180,238	(223,805)	(
7.012008	211,473	1,176,453	(16,115)	1,404,042	610,000	1,180,238	1,790,238	366,195	
1.012009	224,492	1,163,445	(16,115)	1,404,042	0	1,156,922	1,156,922	(247,121)	(
7.012009	236,293	1,149,635	(16,115)	1,404,042	655,000	1,156,922	1,811,922	407,679	
1.012010	252,952	1,134,975	(16,115)	1,404,042	0	1,131,800	1,131,800	(272,242)	(
7.012010	268,514	1,119,413	(16,115)	1,404,043	715,000	1,131,800	1,846,800	442,758	
1.012011	285,033	1,102,894	(16,115)	1,404,043	0	1,104,116	1,104,116	(299,927)	(
7.012011	302,568	1,085,309	(16,115)	1,404,043	760,000	1,104,116	1,864,116	460,073	
1.012012	321,182	1,068,745	(16,115)	1,404,043	0	1,074,741	1,074,741	(329,302)	(
7.012012	340,942	1,046,986	(16,115)	1,404,043	830,000	1,074,741	1,904,741	500,698	
1.012013	361,917	1,026,011	(16,115)	1,404,043	0	1,042,453	1,042,453	(361,590)	(
7.012013	384,182	1,003,746	(16,115)	1,404,043	885,000	1,042,453	1,927,453	523,410	
1.012014	407,817	980,111	(16,115)	1,404,043	0	1,008,009	1,008,009	(396,033)	(
7.012014	16,095,308	639,562	(232,566)	16,967,236	17,295,000	1,008,009	18,303,009	5,376,133	4,042,36
1.012015	0	0	0	0	0	0	0	0	
7.012015	0	0	0	0	0	0	0	0	
1.012016	0	0	0	0	0	0	0	0	
7.012016	0	0	0	0	0	0	0	0	
1.012017	0	0	0	0	0	0	0	0	
7.012017	0	0	0	0	0	0	0	0	
1.012018	0	0	0	0	0	0	0	0	
7.012018	0	0	0	0	0	0	0	0	
1.012019	0	0	0	0	0	0	0	0	
7.012019	0	0	0	0	0	0	0	0	
.000000	22,924,320	75,696,226	(1,190,336)	99,612,882	30,120,000	80,473,201	110,593,201	14,824,679	4,042,36

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SOUTH CAROLINA STATE HOUSING AUTHORITY
MULTIFAMILY RESIDENTIAL REVENUE BONDS, 1983 SERIES A
THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT
HOUSING UNIT

PROJECTED PERIODIC CASH AVAILABILITY

0% FHA EXPERIENCE
100% ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
1.	840701	0	229,277	229,277	257,403	3,675	261,078	(31,802)	66,720
2.	850101	0	227,452	227,452	220,631	3,675	224,306	3,146	34,918
3.	850701	119,690	114,951	234,642	220,631	6,175	226,806	7,836	38,065
4.	860101	239,381	2,911	342,292	220,631	8,675	229,306	12,985	45,900
5.	860701	239,381	3,497	242,878	220,631	8,675	234,306	8,572	58,886
6.	870101	239,381	3,649	243,029	225,375	8,675	234,050	8,979	67,458
7.	870701	239,381	3,806	243,187	225,119	8,675	233,794	9,393	76,437
8.	880101	239,381	3,970	243,351	224,862	8,675	233,537	9,813	85,830
9.	880701	239,381	4,142	243,523	224,606	8,675	233,281	10,211	95,843
10.	890101	239,381	4,321	243,702	224,350	8,675	233,025	10,677	105,885
11.	890701	239,381	4,508	243,889	224,094	8,675	232,769	11,120	118,581
12.	900101	239,381	4,702	244,083	223,837	8,675	232,512	11,571	127,681
13.	900701	239,381	4,905	244,285	223,581	8,675	232,258	12,000	139,252
14.	910101	239,381	5,115	244,495	223,325	8,675	232,000	12,496	151,282
15.	910701	239,381	5,334	244,715	223,069	8,675	231,744	12,971	163,778
16.	920101	239,381	5,581	244,942	222,812	8,675	231,487	13,454	176,749
17.	920701	239,381	5,709	245,090	222,555	8,675	231,230	13,864	189,720
18.	930101	239,381	5,869	245,249	222,298	8,675	230,973	14,274	202,691
19.	930701	239,381	6,040	245,421	222,041	8,675	230,716	14,704	215,662
20.	940101	239,381	6,223	245,604	221,784	8,675	230,459	15,134	228,633
21.	940701	239,381	6,419	245,799	221,527	8,675	230,202	15,564	241,604
22.	950101	239,381	6,581	245,961	221,270	8,675	230,000	15,994	254,575
23.	950701	239,381	6,581	245,961	221,013	8,675	229,743	16,424	267,546
24.	960101	239,381	6,581	245,961	220,756	8,675	229,486	16,854	280,517
25.	960701	239,381	6,581	245,961	220,500	8,675	229,229	17,284	293,488
26.	970101	239,381	6,581	245,961	220,243	8,675	228,972	17,714	306,459

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SOUTH CAROLINA STATE HOUSING AUTHORITY
MULTIFAMILY RESIDENTIAL REVENUE BONDS, 1983 SERIES A
THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT
HOUSING UNIT

PROJECTED PERIODIC CASH AVAILABILITY

0% FHA EXPERIENCE
100% ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
27.	970701	239,381	6,581	245,961	226,919	8,675	235,594	10,388	235,000
28.	980101	239,381	6,581	245,961	226,150	8,675	234,825	11,136	235,000
29.	980701	239,381	6,581	245,961	225,381	8,675	233,287	11,905	235,000
30.	990101	239,381	6,581	245,961	224,812	8,675	232,519	12,674	235,000
31.	990701	239,381	6,581	245,961	223,844	8,675	231,750	13,443	235,000
32.	1000101	239,381	6,581	245,961	223,075	8,675	235,981	14,211	235,000
33.	1000701	239,381	6,581	245,961	227,306	8,675	234,956	9,980	235,000
34.	1010101	239,381	6,581	245,961	226,281	8,675	233,931	11,005	235,000
35.	1010701	239,381	6,581	245,961	225,256	8,675	232,906	12,030	235,000
36.	1020101	239,381	6,581	245,961	224,231	8,675	235,881	13,055	235,000
37.	1020701	239,381	6,581	245,961	226,925	8,675	235,600	9,090	235,000
38.	1030101	239,381	6,581	245,961	225,644	8,675	234,319	10,361	235,000
39.	1030701	239,381	6,581	245,961	224,362	8,675	233,037	11,643	235,000
40.	1040101	239,381	6,581	245,961	223,081	8,675	231,756	12,924	235,000
41.	1040701	239,381	6,581	245,961	226,800	8,675	235,475	14,205	235,000
42.	1050101	239,381	6,581	245,961	225,262	8,675	233,937	10,488	235,000
43.	1050701	239,381	6,581	245,961	223,725	8,675	232,400	12,024	235,000
44.	1060101	239,381	6,581	245,961	222,187	8,675	230,862	13,561	235,000
45.	1060701	239,381	6,581	245,961	225,650	8,675	234,325	15,099	235,000
46.	1070101	239,381	6,581	245,961	223,856	8,675	232,531	11,636	235,000
47.	1070701	239,381	6,581	245,961	227,062	8,675	235,737	13,430	235,000
48.	1080101	239,381	6,581	245,961	225,012	8,675	233,687	10,224	235,000
49.	1080701	239,381	6,581	245,961	227,962	8,675	236,637	12,174	235,000
50.	1090101	239,381	6,581	245,961	225,656	8,675	234,331	9,324	235,000
51.	1090701	239,381	6,581	245,961	223,350	8,675	232,025	11,830	235,000
52.	1100101	239,381	6,581	245,961	226,044	8,675	234,719	13,936	235,000

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SOUTH CAROLINA STATE HOUSING AUTHORITY
MULTIFAMILY RESIDENTIAL REVENUE BONDS, 1983 SERIES A
THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT
HOUSING UNIT

PROJECTED PERIODIC CASH AVAILABILITY

0% FHA EXPERIENCE
100% ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
53.	1100101	239,381	6,581	245,961	226,044	8,675	235,594	11,243	235,000
54.	1100701	239,381	6,581	245,961	223,481	8,675	234,825	13,805	235,000
55.	1110101	239,381	6,581	245,961	223,100	8,675	233,287	11,368	235,000
56.	1110701	239,381	6,581	245,961	225,291	8,675	232,519	14,185	235,000
57.	1120101	239,381	6,581	245,961	227,206	8,675	231,750	12,005	235,000
58.	1120701	239,381	6,581	245,961	223,875	8,675	235,981	10,080	235,000
59.	1130101	239,381	6,581	245,961	225,544	8,675	234,956	13,411	235,000
60.	1130701	239,381	6,581	245,961	226,956	8,675	233,931	11,743	235,000
61.	1140101	239,381	6,581	245,961	223,112	8,675	232,906	10,330	235,000
62.	1140701	239,381	6,581	245,961	224,269	8,675	235,881	14,174	235,000
63.	1150101	239,381	6,581	245,961	225,169	8,675	235,600	13,018	235,000
64.	1150701	239,381	6,581	245,961	225,812	8,675	234,319	12,118	235,000
65.	1160101	239,381	6,581	245,961	226,200	8,675	233,037	11,474	235,000
66.	1160701	239,381	6,581	245,961	226,331	8,675	231,756	11,086	235,000
67.	1170101	239,381	6,581	245,961	221,206	8,675	235,475	10,955	235,000
68.	1170701	239,381	6,581	245,961	226,081	8,675	233,937	16,080	235,000
69.	1180101	239,381	6,581	245,961	225,444	8,675	232,400	11,205	235,000
70.	1180701	239,381	6,581	245,961	224,550	8,675	230,862	11,843	235,000
71.	1190101	239,381	6,581	245,961	228,400	8,675	234,325	12,736	235,000
72.	1190701	239,381	6,581	245,961	221,737	8,675	232,531	8,886	235,000
73.	1200101	239,381	6,581	245,961	225,075	8,675	235,737	15,549	235,000
74.	1200701	239,381	6,581	245,961	227,900	8,675	233,687	12,211	235,000
75.	1210101	239,381	6,581	245,961	225,212	8,675	236,637	9,386	235,000
76.	1210701	239,281	6,581	245,961	222,269	8,675	234,331	12,074	235,000
77.	1220101	239,281	6,581	245,961	229,069	8,675	232,025	15,018	235,000
78.	1220701	239,281	6,581	245,961	225,100	8,675	234,719	12,185	235,000

04689

SOUTH CAROLINA STATE HOUSING AUTHORITY
MULTIFAMILY RESIDENTIAL REVENUE BONDS, 1983 SERIES A
THE MORGAN BANK - PUBLIC FINANCE DEPARTMENT
HOUSING UNIT

PROJECTED PERIODIC CASH AVAILABILITY

0% FHA EXPERIENCE
100% ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
79.	1230701	239,381	6,581	245,961	225,100	8,675	223,775	12,185	235,000
80.	1240101	239,381	6,581	245,961	220,875	8,675	229,550	16,411	235,000
81.	1240701	239,381	6,581	245,961	226,394	8,675	235,069	10,893	235,000
82.	1250101	239,381	6,581	245,961	226,144	8,675	234,819	11,143	235,000
83.	1250701	239,381	6,581	245,961	110,391	8,675	119,055	8,865	235,000
84.	0	0	0	0	0	0	0	0	0
85.	0	0	0	0	0	0	0	0	0
86.	0	0	0	0	0	0	0	0	0
87.	0	0	0	0	0	0	0	0	0
88.	0	0	0	0	0	0	0	0	0
89.	0	0	0	0	0	0	0	0	0
90.	0	0	0	0	0	0	0	0	0
	0	19,150,467	1,066,004	20,216,471	18,591,834	707,525	19,299,359	917,112	0

04690

IV. CASH FLOW

SOUTH CAROLINA STATE HOUSING AUTHORITY
1984 Series A Multifamily Residential Revenue Bonds
PROJECTED PERIODIC CASH AVAILABILITY

0 % FHA EXPERIENCE
100 % ORIGATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
1.	840701	0	533,431	533,431	506,276	107,624	613,900	(80,469)	212,547
2.	850101	0	777,010	777,010	607,531	107,624	715,155	61,855	139,070
3.	850701	0	779,793	779,793	607,531	107,624	715,155	64,638	200,933
4.	860101	335,726	393,295	729,021	607,531	107,624	715,155	13,866	265,512
5.	860701	630,761	141,512	772,273	607,531	107,624	715,155	57,110	279,437
6.	870101	725,546	98,060	823,614	607,531	107,624	865,155	108,459	316,555
7.	870701	725,604	101,865	827,469	757,531	107,624	875,200	(37,606)	445,014
8.	880101	725,665	100,547	826,211	602,656	107,624	710,200	115,931	407,320
9.	880701	725,728	104,605	830,333	767,656	107,624	704,711	(44,947)	523,260
10.	890101	725,795	103,033	820,820	597,007	107,624	879,711	124,117	470,313
11.	890701	725,865	107,378	833,243	772,087	107,624	879,711	(46,468)	602,430
12.	900101	725,938	95,078	821,016	579,006	107,624	686,630	134,306	250,261
13.	900701	726,015	99,702	825,798	719,006	107,624	826,630	(832)	305,340
14.	910101	726,096	95,204	821,301	568,762	107,624	676,386	144,914	254,515
15.	910701	726,181	100,278	826,459	693,762	107,624	801,386	25,072	399,410
16.	920101	726,270	95,206	821,476	557,269	107,624	664,892	156,504	254,502
17.	920701	726,363	100,600	827,052	637,269	107,624	744,892	82,159	411,086
18.	930101	726,461	95,165	821,627	544,631	106,899	651,530	170,097	253,245
19.	930701	726,564	101,120	827,684	544,631	106,899	651,530	176,154	423,342
20.	940101	726,672	95,212	821,884	531,262	104,397	635,660	106,224	254,426
21.	940701	726,785	101,732	820,517	531,262	104,397	635,660	192,057	440,120
22.	950101	726,904	85,383	812,287	516,537	101,642	618,100	194,107	253,517
23.	950701	727,020	80,781	815,810	706,537	101,642	800,100	(72,370)	447,604
24.	960101	727,159	85,328	812,487	501,231	98,779	600,010	212,477	250,113
25.	960701	727,296	89,048	816,344	756,231	98,779	895,010	(70,666)	462,120
26.	970101	727,440	85,397	812,837	404,762	95,697	500,460	232,377	254,124
27.	970701	727,591	89,465	817,056	804,762	95,697	900,460	(83,404)	406,501
28.	980101	727,749	85,381	813,131	466,550	92,290	558,840	254,291	253,097
29.	980701	727,916	89,832	817,740	806,550	92,290	898,840	(81,092)	507,307
30.	990101	728,090	85,352	813,442	446,594	88,556	535,150	270,292	251,225
31.	990701	728,273	90,224	810,496	811,594	88,556	900,150	(81,654)	529,507
32.	1000101	728,465	85,383	813,848	424,894	84,496	304,450	304,450	252,933
33.	1000701	728,666	90,713	819,379	819,894	84,496	904,390	(85,011)	557,122
34.	1010101	728,878	85,377	814,254	401,062	80,037	481,100	333,154	252,301

Salomon Brothers Inc

June 4, 1985

Mr. Lewis Levy
South Carolina State Housing Authority
1710 Gervais Street
Suite 100
Columbia, South Carolina 29201

Dear Lewis:

In response to your recent request, I am enclosing cash flows relating to the \$5,430,000 Multifamily Housing Revenue Bonds, Series A (Greenville-Oxford Associates Limited Partnership Project) and the \$10,670,000 Multifamily Housing Revenue Bonds, Series B (Charleston-Oxford Associates Limited Partnership Project) (the Bonds). As you know, the interest on the Bonds is 8 1/4% per annum. However, that rate is applicable only until October 1, 1989 at which time the Bonds may be redeemed or a new interest rate established pursuant to the applicable bond Resolution. Therefore, the cash flow below only covers the period April 1, 1985 to October 1, 1989.

Payment of interest, principal and premium, if any, on the bonds is additionally secured by Surety Bonds delivered to the Trustee. The Surety Bonds are issued by the Continental Casualty Company.

\$5,430,000
Multifamily Housing Revenue Bonds
Series A
(Greenville-Oxford Associates Limited Partnership Project)

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Developer Payments*</u>	<u>Balance</u>
10/1/85	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
4/1/86	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
10/1/86	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
4/1/87	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
10/1/87	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
4/1/88	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
10/1/88	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
4/1/89	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
10/1/89	\$ 223,987.50	-	\$ 223,987.50	\$ 223,987.50	-
	\$2,015,887.50	-	\$2,015,887.50	\$2,015,887.50	-

*The Developer is entitled to reduce its payments by the amount of interest on amounts in the Revenue Fund and the Bond Reserve Fund.

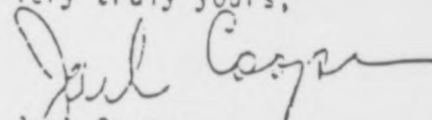
Salomon Brothers Inc

\$10,670,000
Multifamily Housing Revenue Bonds
Series B
(Charleston-Oxford Associates Limited Partnership Project)

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Developer Payments*</u>	<u>Balance</u>
10/1/85	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
4/1/86	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
10/1/86	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
4/1/87	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
10/1/87	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
4/1/88	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
10/1/88	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
4/1/89	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
10/1/89	\$ 440,137.50	-	\$ 440,137.50	\$ 440,137.50	-
	\$3,961,237.50	-	\$3,961,237.50	\$3,961,237.50	-

If you have any questions on the above, please call me.

Very truly yours,



Joe Cooper
Vice President

JC/el

04693

SOUTH CAROLINA STATE HOUSING AUTHORITY
1984 Series A Multifamily Residential Revenue Bonds
PROJECTED PERIODIC CASH AVAILABILITY (Cont.)

0 % FHA EXPERIENCE
100 % ORIGINATION

04694

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
								(75,792)	505,535
								364,473	254,743
35.	1010701	729,099	91,209	820,308	816,062	80,037	896,100		
36.	1020101	729,332	85,421	814,753	375,100	75,180	450,200		
37.	1020701	729,576	91,001	821,378	820,100	75,180	895,200	(73,902)	619,217
38.	1030101	729,832	85,348	815,180	346,425	69,815	416,240	390,940	250,314
39.	1030701	730,101	92,331	822,432	816,425	69,815	886,240	(63,800)	649,254
40.	1040101	730,383	85,354	815,737	315,231	63,979	379,210	436,527	250,446
41.	1040701	730,679	92,995	823,674	805,231	63,979	869,210	(45,536)	606,972
42.	1050101	730,989	33,813	764,802	201,131	57,599	330,730	426,072	251,436
43.	1050701	731,315	41,272	772,586	706,131	57,599	843,730	(71,144)	677,507
44.	1060101	731,656	33,817	765,473	247,806	51,364	299,170	466,303	251,365
45.	1060701	732,015	41,980	773,995	762,806	51,364	814,170	(40,175)	117,668
46.	1070101	732,391	33,042	766,233	211,381	44,549	255,930	510,303	252,493
47.	1070701	732,786	42,775	775,561	731,381	44,549	775,930	(369)	162,796
48.	1080101	733,200	33,846	767,046	171,469	37,081	208,550	550,496	252,426
49.	1080701	733,635	43,623	777,258	676,469	37,081	713,550	63,700	810,923
50.	1090101	734,091	33,891	767,982	127,875	28,925	156,800	611,182	254,631
51.	1090701	734,569	44,591	779,159	507,875	28,925	616,800	162,359	865,813
52.	1100101	735,071	33,873	768,944	80,019	19,971	99,990	668,954	253,172
53.	1100701	735,597	45,584	781,181	445,019	19,971	464,990	316,191	922,126
54.	1110101	736,150	33,883	770,033	27,706	10,184	37,890	732,143	253,317
55.	1110701	736,730	46,700	783,430	197,706	10,184	207,890	575,540	905,461
56.	1120101	737,338	47,239	784,577	0	0	0	784,577	1,016,000
57.	1120701	737,976	5,401	743,377	0	0	0	743,377	0
58.	1130101	738,646	5,406	744,052	0	0	0	744,052	0
59.	1130701	739,349	5,411	744,760	0	0	0	744,760	0
60.	1140101	740,086	5,416	745,502	0	0	0	745,502	0
61.	1140701	740,859	5,422	746,281	0	0	0	746,281	0
62.	1150101	741,671	5,420	747,099	0	0	0	747,099	0
63.	1150701	742,522	5,434	747,957	0	0	0	747,957	0
64.	1160101	399,150	3,619	402,769	0	0	0	402,769	0
65.	1160701	97,077	1,281	98,358	0	0	0	98,358	0
TOTAL		43,839,362	6,613,673	50,453,035	30,644,364	4,452,486	35,096,850	15,356,185	

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South Carolina State Housing Authority
 1985 Multifamily Development Revenue Bonds, Series P - Resized
 Closings Cash Flow - February 19, 1985

NET CASH GENERATED DURING PERIOD

DATE	NET CASH FROM ACQUISITION FUND	NET MORTGAGE RECEIPTS EXCLUDING FLOAT	NON- MORTGAGE INTEREST EARNINGS + OTHER INCOME	CASH GENERATED DURING PERIOD	SCHEDULED DEBT SERVICE	TOTAL EXPENSES	USED FOR MANDATORY CALL	CASH EXPENDED DURING PERIOD	NET PERIOD CASH SURPLUS (SHORTFALL)
7.011985	0	0	198,892	198,892	231,766	0	0	231,766	(32,894)
7.011986	0	0	567,517	567,517	556,238	0	0	556,238	11,280
7.011987	0	330,997	314,770	545,767	561,238	0	0	561,238	(15,471)
7.011988	0	527,835	62,247	590,084	565,506	0	0	565,506	24,578
7.011989	0	527,890	63,003	590,893	564,531	0	0	564,531	26,362
7.011990	0	527,948	63,737	591,686	573,313	0	0	573,313	18,373
7.011991	0	528,013	64,312	592,325	571,363	0	0	571,363	20,962
7.011992	0	528,084	64,966	593,050	569,413	0	0	569,413	23,637
7.011993	0	528,163	65,701	593,864	567,463	0	0	567,463	26,402
7.011994	0	528,250	66,521	594,771	565,513	0	0	565,513	29,259
7.011995	0	528,347	67,427	595,774	563,563	0	0	563,563	32,212
7.011996	0	528,454	68,200	596,654	570,881	0	0	570,881	25,773
7.011997	0	528,573	69,008	597,581	567,956	0	0	567,956	29,625
7.011998	0	528,705	69,934	598,639	565,031	0	0	565,031	33,607
7.011999	0	528,850	70,906	599,756	571,863	0	0	571,863	27,894
2.012000	0	529,011	71,787	600,798	567,963	0	0	567,963	32,835
7.012001	0	529,190	72,819	602,009	569,063	0	0	569,063	32,946
7.012002	0	529,388	73,782	603,170	569,431	0	0	569,431	33,739
7.012003	0	529,607	74,850	604,457	569,556	0	0	569,556	34,900
7.012004	0	529,849	75,881	605,730	569,950	0	0	569,950	36,780
7.012005	0	530,118	77,049	607,167	568,100	0	0	568,100	39,067
7.012006	0	530,416	78,216	608,631	566,519	0	0	566,519	42,113
7.012007	0	530,745	79,275	610,020	569,450	0	0	569,450	40,570
7.012008	0	531,110	79,265	610,475	566,650	0	0	566,650	43,825
7.012009	0	531,514	79,370	610,884	568,119	0	0	568,119	42,765
7.012010	0	531,961	80,319	612,280	568,613	0	0	568,613	(352)
7.012011	0	532,457	81,304	613,761	568,131	0	0	568,131	630
7.012012	0	532,996	82,320	615,316	566,675	0	0	566,675	2,651
7.012013	0	533,614	83,320	616,934	569,000	0	0	569,000	934
7.012014	0	534,287	84,348	617,635	570,106	0	0	570,106	529
7.012015	0	535,032	85,353	618,385	564,750	0	0	564,750	6,635
7.012016	0	535,858	86,368	619,226	568,175	0	0	568,175	4,051
7.012017	0	536,772	87,379	620,151	569,650	0	0	569,650	3,501
7.012018	0	537,785	88,392	621,176	569,175	0	0	569,175	5,001
7.012019	0	538,896	89,406	622,312	566,750	0	0	566,750	8,562
7.012020	0	540,148	90,421	623,569	572,131	0	0	572,131	4,438
7.012021	0	541,523	91,439	624,961	569,831	0	0	569,831	8,130
7.012022	0	543,046	92,458	626,504	569,850	0	0	569,850	9,654
7.012023	0	544,733	93,479	628,211	566,944	0	0	566,944	11,268
7.012024	0	546,601	94,502	630,103	570,849	0	0	570,849	12,254
7.012025	0	548,669	95,528	632,197	570,894	0	0	570,894	14,303
7.012026	0	550,960	96,556	634,517	567,019	0	0	567,019	20,498
7.012027	0	322,500	35,433	357,933	569,000	0	0	569,000	(211,067)
000000	0	21,358,916	3,293,239	24,652,155	24,091,997	0	0	24,091,997	560,158

04695

CASH FLOWS

(July 15, 1985 to July 1, 1993)

SOUTH CAROLINA STATE HOUSING AUTHORITY
\$11,130,000 MULTIFAMILY HOUSING REVENUE BONDS, SERIES C
(Richland-Oxford Limited Partnership Project)
\$9,415,000 MULTIFAMILY HOUSING REVENUE BONDS SERIES D
(Spartanberg-Oxford Limited Partnership Project)

Interest on these Bonds is initially set at 8 1/4% per annum from July 15, 1985 to (but not including) July 1, 1993. On July 1, 1993 the Bonds may be redeemed or a new interest rate established pursuant to the applicable Bond Resolution. Accordingly, the cash flows below only cover the period July 15, 1985 to July 1, 1993.

Payment of interest, principal and premium, if any, on the bonds is additionally secured by Surety Bonds issued by the Continental Casualty Company delivered to the Corporate Fiduciary.

04696

SOUTH CAROLINA STATE HOUSING AUTHORITY
\$11,130,000
MULTIFAMILY HOUSING REVENUE BONDS, SERIES C
(Richland-Oxford Limited Partnership Project)

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Developer Payments*</u>	<u>Balance</u>
January 1, 1986	\$ 423,403.75	-	\$ 423,403.75	\$ 423,403.75	-
July 1, 1986	459,112.50	-	459,112.50	459,112.50	-
January 1, 1987	459,112.50	-	459,112.50	459,112.50	-
July 1, 1987	459,112.50	-	459,112.50	459,112.50	-
January 1, 1988	459,112.50	-	459,112.50	459,112.50	-
July 1, 1988	459,112.50	-	459,112.50	459,112.50	-
January 1, 1989	459,112.50	-	459,112.50	459,112.50	-
July 1, 1989	459,112.50	-	459,112.50	459,112.50	-
January 1, 1990	459,112.50	-	459,112.50	459,112.50	-
July 1, 1990	459,112.50	-	459,112.50	459,112.50	-
January 1, 1991	459,112.50	-	459,112.50	459,112.50	-
July 1, 1991	459,112.50	-	459,112.50	459,112.50	-
January 1, 1992	459,112.50	-	459,112.50	459,112.50	-
July 1, 1992	459,112.50	-	459,112.50	459,112.50	-
January 1, 1993	459,112.50	-	459,112.50	459,112.50	-
July 1, 1993	459,112.50	-	459,112.50	459,112.50	-
	<u>\$7,310,091.25</u>	<u>-</u>	<u>\$7,310,091.25</u>	<u>\$7,310,091.25</u>	<u>-</u>

*The Developer is entitled to reduce its payments by the amount of interest earned on deposits in the Revenue Fund and the Bond Reserve Fund.

04697

SOUTH CAROLINA STATE HOUSING AUTHORITY
\$9,415,000
MULTIFAMILY HOUSING REVENUE BONDS SERIES D
(Spartanberg-Oxford Limited Partnership Project)

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Developer Payments*</u>	<u>Balance</u>
January 1, 1986	\$ 358,162.29	-	\$ 358,162.29	\$ 358,162.29	-
July 1, 1986	388,368.75	-	388,368.75	388,368.75	-
January 1, 1987	388,368.75	-	388,368.75	388,368.75	-
July 1, 1987	388,368.75	-	388,368.75	388,368.75	-
January 1, 1988	388,368.75	-	388,368.75	388,368.75	-
July 1, 1988	388,368.75	-	388,368.75	388,368.75	-
January 1, 1989	388,368.75	-	388,368.75	388,368.75	-
July 1, 1989	388,368.75	-	388,368.75	388,368.75	-
January 1, 1990	388,368.75	-	388,368.75	388,368.75	-
July 1, 1990	388,368.75	-	388,368.75	388,368.75	-
January 1, 1991	388,368.75	-	388,368.75	388,368.75	-
July 1, 1991	388,368.75	-	388,368.75	388,368.75	-
January 1, 1992	388,368.75	-	388,368.75	388,368.75	-
July 1, 1992	388,368.75	-	388,368.75	388,368.75	-
January 1, 1993	388,368.75	-	388,368.75	388,368.75	-
July 1, 1993	388,368.75	-	388,368.75	388,368.75	-
	<u>\$6,183,693.54</u>	<u>-</u>	<u>\$6,183,693.54</u>	<u>\$6,183,693.54</u>	<u>-</u>

*The Developer is entitled to reduce its payments by the amount of interest earned on deposits in the Revenue Fund and the Bond Insurance Fund.

04698

SCHEDULE 10A-1

South Carolina SHA (Bryton Pointe Apartments): Mortgage Revenue Bonds
CALCULATION OF BOND DEBT SERVICE FOR YIELD PURPOSES

	BOND DEBT SERVICE WHEN DUE	PRIOR REDEMPTIONS OF BONDS	TOTAL BOND DEBT SERVICE
10. 1986	779200.00	0.00	779200.00
10. 1987	779200.00	0.00	779200.00
10. 1988	814200.00	0.00	814200.00
10. 1989	856400.00	0.00	856400.00
10. 1990	860000.00	0.00	860000.00
10. 1991	857800.00	0.00	857800.00
10. 1992	860200.00	0.00	860200.00
10. 1993	856800.00	0.00	856800.00
10. 1994	863000.00	0.00	863000.00
10. 1995	863000.00	0.00	863000.00
10. 1996	867200.00	0.00	867200.00
10. 1997	870200.00	0.00	870200.00
10. 1998	867000.00	0.00	867000.00
10. 1999	873000.00	0.00	873000.00
10. 2000	872400.00	0.00	872400.00
10. 2001	875600.00	0.00	875600.00
10. 2002	882200.00	0.00	882200.00
10. 2003	881800.00	0.00	881800.00
10. 2004	884800.00	0.00	884800.00
10. 2005	890800.00	0.00	890800.00
10. 2006	894400.00	0.00	894400.00
10. 2007	900600.00	0.00	900600.00
10. 2008	904000.00	0.00	904000.00
10. 2009	5934600.00	0.00	5934600.00
TOTALS	23788400.00	0.00	23788400.00

Yield Analysis--Reasonable Expectations
Tuesday, 3:50 pm, October 29, 1985

04699

South Carolina SHA (Bryton Pointe Apartments): Mortgage Loan Data
PROOF OF YIELD

	COL 1	COL 2	COL 3
DATE	AMOUNT VALUED	B. 89090 X P.V. FACTOR	PRESENT VALUE (COL 1 X COL 2)
4- 1-1986	334810.00	0.9641703834	322813.89
10- 1-1986	401772.00	0.9231329688	370888.98
4- 1-1987	401772.00	0.8838422055	355103.05
10- 1-1987	401772.00	0.8462237517	339989.01
4- 1-1988	401772.00	0.8102064300	325518.26
10- 1-1988	401765.00	0.7757220922	311657.99
4- 1-1989	400332.00	0.7427054910	297328.77
10- 1-1989	400355.00	0.7110941558	284690.10
4- 1-1990	397032.00	0.6806282753	270310.61
10- 1-1990	397013.00	0.6518505835	258793.16
4- 1-1991	393318.00	0.6241062521	245472.22
10- 1-1991	393299.00	0.5975427863	235012.98
4- 1-1992	389697.00	0.5721099256	222949.52
10- 1-1992	389675.00	0.5477595488	213448.20
4- 1-1993	385068.00	0.5244455826	201947.21
10- 1-1993	385045.00	0.5021239150	193340.30
4- 1-1994	380532.00	0.4807523114	182941.64
10- 1-1994	380506.00	0.4602903347	175143.23
4- 1-1995	375378.00	0.4406992691	165428.81
10- 1-1995	375350.00	0.4219420464	158375.95
4- 1-1996	369810.00	0.4039831763	149397.02
10- 1-1996	369778.00	0.3867886789	143025.94
4- 1-1997	363618.00	0.3703260208	134657.21
10- 1-1997	363584.00	0.3545640531	128913.82
4- 1-1998	356814.00	0.3394729528	121128.70
10- 1-1998	356778.00	0.3250241660	115961.47
4- 1-1999	349596.00	0.3111903544	108790.90
10- 1-1999	349555.00	0.2979453431	104148.28
4- 1-2000	341550.00	0.2852640715	97431.94
10- 1-2000	341506.00	0.2731225453	93272.99
4- 1-2001	332886.00	0.2614977917	87048.95
10- 1-2001	332838.00	0.2503678156	83331.92
4- 1-2002	323400.00	0.2397115582	77522.72
10- 1-2002	323347.00	0.2295088567	74211.00
4- 1-2003	312882.00	0.2197404068	68752.82
10- 1-2003	312825.00	0.2103877256	65814.54
4- 1-2004	301536.00	0.2014331171	60739.34
10- 1-2004	301473.00	0.1928596383	58141.97
4- 1-2005	289158.00	0.1846510675	53393.33
10- 1-2005	289090.00	0.1767918731	51108.76
4- 1-2006	275550.00	0.1692671851	46641.57
10- 1-2006	275475.00	0.1620627658	44644.24
4- 1-2007	260700.00	0.1551649840	40451.51
10- 1-2007	260617.00	0.1485607885	38717.47
4- 1-2008	244404.00	0.1422376834	34763.46
10- 1-2008	244315.00	0.1361837049	33271.72
4- 1-2009	226668.00	0.1303873983	29554.65
10- 1-2009	5767086.00	0.1248377965	719950.31
TOTALS	22023102.00		7995942.45

ALL PAYMENTS VALUED TO 10-30-1985

AMOUNT VALUED FROM SCHEDULE 10B-1

Present value factors based on 2 compounding intervals per year.

Present Value of Adjusted Draws (Sch 10C) is \$ 8,936,362.44

BECAUSE THE PRESENT VALUE OF ADJUSTED DRAWS IS GREATER THAN THE CALCULATED VALUE
(TOTAL OF COL. 3) THE TRUE YIELD IS LESS THAN THE YIELD USED IN THE CALCULATION
(TOP OF COL. 2)

Yield Analysis--Reasonable Expectations
Tuesday, 3:50 pm, October 29, 1985

04700

South Carolina SHA (Bryton Pointe Apartments): Mortgage Loan Data
 CALCULATION OF NET PAYMENTS FOR YIELD PURPOSES

	DEVELOPER PAYMENTS	PLUS ISSUER'S FEE	NET PAYMENTS
4. 1986	324665.00	10145.00	334810.00
10. 1986	389598.00	12174.00	401772.00
4. 1987	389598.00	12174.00	401772.00
10. 1987	389598.00	12174.00	401772.00
4. 1988	389598.00	12174.00	401772.00
10. 1988	389598.00	12167.00	401765.00
4. 1989	388200.00	12132.00	400332.00
10. 1989	388200.00	12155.00	400355.00
4. 1990	385002.00	12030.00	397032.00
10. 1990	385002.00	12011.00	397013.00
4. 1991	381402.00	11916.00	393318.00
10. 1991	381402.00	11897.00	393299.00
4. 1992	377895.00	11802.00	389697.00
10. 1992	377895.00	11780.00	389675.00
4. 1993	373398.00	11670.00	385068.00
10. 1993	373398.00	11647.00	385045.00
4. 1994	369000.00	11532.00	380532.00
10. 1994	369000.00	11506.00	380506.00
4. 1995	364002.00	11376.00	375378.00
10. 1995	364002.00	11348.00	375350.00
4. 1996	358602.00	11208.00	369810.00
10. 1996	358602.00	11176.00	369778.00
4. 1997	352602.00	11016.00	363618.00
10. 1997	352602.00	10982.00	363584.00
4. 1998	346002.00	10812.00	356814.00
10. 1998	346002.00	10776.00	356778.00
4. 1999	339000.00	10596.00	349596.00
10. 1999	339000.00	10555.00	349555.00
4. 2000	331200.00	10350.00	341550.00
10. 2000	331200.00	10306.00	341506.00
4. 2001	322800.00	10086.00	332886.00
10. 2001	322800.00	10038.00	332838.00
4. 2002	313602.00	9798.00	323400.00
10. 2002	313602.00	9745.00	323347.00
4. 2003	303402.00	9480.00	312882.00
10. 2003	303402.00	9423.00	312825.00
4. 2004	292398.00	9138.00	301536.00
10. 2004	292398.00	9075.00	301473.00
4. 2005	280398.00	8760.00	289158.00
10. 2005	280398.00	8692.00	289090.00
4. 2006	267198.00	8352.00	275550.00
10. 2006	267198.00	8277.00	275475.00
4. 2007	252798.00	7902.00	260700.00
10. 2007	252798.00	7819.00	260617.00
4. 2008	237000.00	7404.00	244404.00
10. 2008	237000.00	7315.00	244315.00
4. 2009	219798.00	6870.00	226668.00
10. 2009	5760216.00	6870.00	5767086.00
TOTALS	21524471.00	498631.00	22023102.00

Yield Analysis--Reasonable Expectations
 Tuesday, 3:50 pm, October 29, 1985

04701

SCHEDULE 10C

South Carolina SHA (Bryton Points Apartments): Mortgage Loan Data
Present Value of Mortgage Acquisition Cost

Date	PAR of Monthly Draws	Draws Adjusted for Points (A)	B. 891 X P. V.	P. V. of Adjusted Draws
11. 1985	2371615.00	2371615.00	0.99975839	2371042.00
12. 1985	222701.00	222701.00	0.99253723	221039.03
1. 1986	425311.00	425311.00	0.98536822	419087.94
2. 1986	743371.00	743371.00	0.97825099	746768.44
3. 1986	903071.00	903071.00	0.97118517	877049.16
4. 1986	974849.00	974849.00	0.96417038	941848.87
5. 1986	783314.00	783314.00	0.95720627	749793.07
6. 1986	453288.00	453288.00	0.95029245	622715.24
7. 1986	526295.00	526295.00	0.94342857	496521.74
8. 1986	530261.00	530261.00	0.93661427	496650.02
9. 1986	467288.00	467288.00	0.92984919	434507.37
10. 1986	269909.00	269909.00	0.92313297	249161.90
11. 1986	271941.00	271941.00	0.91646526	249224.48
12. 1986	207022.00	207022.00	0.90984571	188358.08
1. 1987	363764.00	363764.00	0.90327398	330385.10
2. 1987	0.00	0.00	0.89674971	0.00
3. 1987	0.00	0.00	0.89027257	0.00
4. 1987	0.00	0.00	0.88384221	0.00
5. 1987	0.00	0.00	0.87745829	0.00
6. 1987	0.00	0.00	0.87112049	0.00
7. 1987	0.00	0.00	0.86482846	0.00
8. 1987	0.00	0.00	0.85858188	0.00
9. 1987	0.00	0.00	0.85238042	0.00
10. 1987	0.00	0.00	0.84622375	0.00
11. 1987	0.00	0.00	0.84011155	0.00
12. 1987	0.00	0.00	0.83404350	0.00
1. 1988	0.00	0.00	0.82801928	0.00
2. 1988	0.00	0.00	0.82203857	0.00
3. 1988	0.00	0.00	0.81610106	0.00
4. 1988	0.00	0.00	0.81020643	0.00
5. 1988	0.00	0.00	0.80435438	0.00
6. 1988	0.00	0.00	0.79854460	0.00
7. 1988	0.00	0.00	0.79277678	0.00
8. 1988	0.00	0.00	0.78705063	0.00
9. 1988	0.00	0.00	0.78136583	0.00
10. 1988	0.00	0.00	0.77572209	0.00
Totals	9740000.00	9740000.00	0.96449204	9394152.44

(A) PAR of monthly draws less 0.0000 X representing all 'points' paid by buyer or seller (at bond closing or mortgage closing) including origination fee.

Present Value of adjusted draws (col 4) \$ 9394152.44
less: Additional amounts paid by mortgagors
at time of bond closing 457790.00

Present Value of adjusted draws \$ 8936362.44

Present value factors based on 2 compounding intervals per year.

Yield Analysis--Reasonable Expectations
Tuesday, 3:30 pm. October 29, 1985

04702

SCHEDULE 10A

South Carolina SHA (Bryton Pointe Apartments): Mortgage Revenue Bonds
PROOF OF YIELD

DATE	COL 1		COL 2		COL 3	
	AMOUNT VALUED		B. 39090 X P. V. FACTOR		PRESENT VALUE (COL 1 X COL 2)	
4- 1-1986	389600.00		0.9661106688		376396.72	
10- 1-1986	389600.00		0.9272100353		361241.03	
4- 1-1987	389600.00		0.8898757435		346695.59	
10- 1-1987	389600.00		0.8540447241		332735.82	
4- 1-1988	389600.00		0.8196564477		319338.15	
10- 1-1988	424600.00		0.7866526218		334012.79	
4- 1-1989	388200.00		0.7549780934		293082.50	
10- 1-1989	448200.00		0.7245787541		339247.77	
4- 1-1990	385000.00		0.6934034500		267730.33	
10- 1-1990	475000.00		0.6674028953		317016.38	
4- 1-1991	381400.00		0.6405297883		244298.06	
10- 1-1991	476400.00		0.6147367321		292861.53	
4- 1-1992	377600.00		0.5899861579		222778.77	
10- 1-1992	482600.00		0.5642302508		273262.72	
4- 1-1993	373400.00		0.5434308800		202917.09	
10- 1-1993	483400.00		0.5215495302		252117.04	
4- 1-1994	369000.00		0.5003492372		184702.67	
10- 1-1994	494000.00		0.4803945251		237314.90	
4- 1-1995	364000.00		0.4610513464		167822.69	
10- 1-1995	499000.00		0.4424870245		220801.03	
4- 1-1996	358600.00		0.4246701987		152286.73	
10- 1-1996	508600.00		0.4075707708		207290.49	
4- 1-1997	352600.00		0.3911598547		137922.96	
10- 1-1997	517600.00		0.3754097273		194312.07	
4- 1-1998	346000.00		0.3602937818		124661.65	
10- 1-1998	521000.00		0.3457864828		180154.76	
4- 1-1999	339000.00		0.3318633230		112501.67	
10- 1-1999	534000.00		0.3185007820		170079.42	
4- 1-2000	331200.00		0.3056742862		101239.99	
10- 1-2000	541200.00		0.2933681713		158770.85	
4- 1-2001	322800.00		0.2815556450		90886.16	
10- 1-2001	552800.00		0.2702187523		149376.93	
4- 1-2002	313600.00		0.2593383418		81328.50	
10- 1-2002	568600.00		0.2489960332		141522.28	
4- 1-2003	303400.00		0.2388741862		72474.43	
10- 1-2003	578400.00		0.2292558708		132601.60	
4- 1-2004	292400.00		0.2200248387		64335.26	
10- 1-2004	592400.00		0.2111654959		125094.44	
4- 1-2005	280400.00		0.2026628762		56826.67	
10- 1-2005	610400.00		0.1945026162		118724.40	
4- 1-2006	267200.00		0.1866709306		49878.47	
10- 1-2006	627200.00		0.1791545894		112365.76	
4- 1-2007	252800.00		0.1719408951		43466.66	
10- 1-2007	647800.00		0.1650176617		104898.44	
4- 1-2008	237000.00		0.1583731935		37534.45	
10- 1-2008	667000.00		0.1519962642		101381.51	
4- 1-2009	219800.00		0.1458761070		32063.57	
10- 1-2009	5714800.00		0.1400023773		80085.59	
TOTALS	25788400.00				9442439.28	

ALL PAYMENTS VALUED TO 10-30-1985

AMOUNT VALUED FROM SCHEDULE 10A-1

Present value factors based on 2 compounding intervals per year.

PAR + ACCRUED INTEREST - COSTS OF ISSUANCE - DISCOUNT = PRICE FOR YIELD PROOF
89,740,000 + 62,768.89 - 275,590 - 84,800 = 89,442,378.89

BECAUSE THE PRICE FOR YIELD PROOF IS LESS THAN THE CALCULATED VALUE (TOTAL OF COL. 3) THE TRUE YIELD IS GREATER THAN THE YIELD USED IN THE CALCULATION (TOP COL. 2)

Yield Analysis--Reasonable Expectations
Tuesday, 3:50 pm, October 29, 1985

04703

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR QUALITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.
6. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
7. EXTREMELY DARK COLORED DOCUMENTS THAT LACK CONTRAST BETWEEN WRITING AND BACKGROUND.
8. THE NUMBERED PAGES OF THESE FILMS MAY APPEAR TO BE MISSING, OR NUMBERED WRONG.

South Carolina HFA--Hampton Pointe Apartments: Mortgage Revenue Bonds

Debt Service Schedule

Month	Principal Amount	Interest Rate	Interest Payable	Total Debt Service
12-84			944,000.00	944,000.00
12-85			944,000.00	944,000.00
12-86	55,000.00	8.0000	944,000.00	999,000.00
12-87	65,000.00	8.0000	939,600.00	1,004,600.00
12-88	75,000.00	8.0000	934,400.00	1,009,400.00
12-89	90,000.00	8.0000	928,400.00	1,018,400.00
12-90	90,000.00	8.0000	921,200.00	1,011,200.00
12-91	105,000.00	8.0000	914,000.00	1,019,000.00
12-92	110,000.00	8.0000	905,600.00	1,015,600.00
12-93	120,000.00	8.0000	896,800.00	1,016,800.00
12-94	130,000.00	8.0000	887,200.00	1,017,200.00
12-95	145,000.00	8.0000	876,800.00	1,021,800.00
12-96	160,000.00	8.0000	865,200.00	1,025,200.00
12-97	175,000.00	8.0000	852,400.00	1,027,400.00
12-98	195,000.00	8.0000	838,400.00	1,033,400.00
12-99	210,000.00	8.0000	822,800.00	1,032,800.00
12-00	230,000.00	8.0000	806,000.00	1,036,000.00
12-01	255,000.00	8.0000	787,600.00	1,042,600.00
12-02	275,000.00	8.0000	767,200.00	1,042,200.00
12-03	305,000.00	8.0000	745,200.00	1,050,200.00
12-04	335,000.00	8.0000	720,800.00	1,055,800.00
12-05	365,000.00	8.0000	694,000.00	1,059,000.00
12-06	400,000.00	8.0000	664,800.00	1,064,800.00
12-07	7,910,000.00	8.0000	632,800.00	8,542,800.00
Totals	11,800,000.00	0.0000	20,233,200.00	32,033,200.00

All bonds pay semi-annual current interest beginning 6- 1-1986 computed from 12- 1-1985.

Assumes settlement on 12-18-1985 with accrued interest of \$ 44,577.78.

Yield Analysis--reasonable expectations
Wednesday, 5:24 am, December 18, 1985

PACES WATCH LIMITED PARTNERSHIP
2000 CHARLOTTE PLAZA
CHARLOTTE, NC 28244

RE: INTEREST AND PRINCIPAL PAYMENTS
CTS/MT PLEASANT PROJECT
1985 SERIES A \$10,600,000

	JUNE	DECEMBER	TOTAL
1986	391,140	391,140	782,280
1987	391,140	391,140	782,280
1988	391,140	391,140	782,280
1989	391,140	391,140	782,280
1990	391,140	391,140	782,280
1991 *	391,140	391,140	782,280
1992	391,140	391,140	782,280
1993	391,140	391,140	782,280
1994	391,140	391,140	782,280
1995	391,140	391,140	782,280
1996	391,140	391,140	782,280
1997 **	391,140	391,140	782,280
1998	391,140	391,140	782,280
1999	391,140	391,140	782,280
2000	391,140	391,140	782,280
2001	391,140	391,140	782,280
2002	391,140	391,140	782,280
2003	391,140	391,140	782,280
2004	391,140	391,140	782,280
2005	391,140	391,140	782,280
2006	391,140	391,140	782,280
2007 ***	391,140	10,991,140	11,382,280

			27,810,160

* INTEREST RATE MAY CHANGE ON THE REMARKETING DATE PER THE PROVISIONS IN THE TRUST INDENTURE.

** INTEREST RATE MAY CHANGE ON THE REMARKETING DATE PER THE PROVISIONS IN THE TRUST INDENTURE.

***PRINCIPAL DUE ON DECEMBER 1, 2007.

04705

PACES PARKLANE LIMITED PARTNERSHIP
 2000 CHARLOTTE PLAZA
 CHARLOTTE, NC 28244

RE: INTEREST AND PRINCIPAL PAYMENTS
 CTS/PARKLANE PROJECT
 1985 SERIES B \$12,050,000

04706

	JUNE	DECEMBER	TOTAL
1986	444,645	444,645	889,290
1987	444,645	444,645	889,290
1988	444,645	444,645	889,290
1989	444,645	444,645	889,290
1990	444,645	444,645	889,290
1991 *	444,645	444,645	889,290
1992	444,645	444,645	889,290
1993	444,645	444,645	889,290
1994	444,645	444,645	889,290
1995	444,645	444,645	889,290
1996	444,645	444,645	889,290
1997 **	444,645	444,645	889,290
1998	444,645	444,645	889,290
1999	444,645	444,645	889,290
2000	444,645	444,645	889,290
2001	444,645	444,645	889,290
2002	444,645	444,645	889,290
2003	444,645	444,645	889,290
2004	444,645	444,645	889,290
2005	444,645	444,645	889,290
2006	444,645	444,645	889,290
2007 ***	444,645	12,494,645	12,939,290

			31,614,380

* INTEREST RATE MAY CHANGE ON THE REMARKETING DATE PER THE PROVISIONS IN THE TRUST INDENTURE.

** INTEREST RATE MAY CHANGE ON THE REMARKETING DATE PER THE PROVISIONS IN THE TRUST INDENTURE.

***PRINCIPAL DUE ON DECEMBER 1, 2007.

CROW ROCK HILL LIMITED PARTNERSHIP
2000 CHARLOTTE PLAZA
CHARLOTTE, NORTH CAROLINA 28244

RE: INTEREST AND PRINCIPAL PAYMENTS
CTS/ROCK HILL PROJECT
\$9,145,000 1985 SERIES

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1986		73,160	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	688,923
1987	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1988	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1989	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1990	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1991	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1992	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1993 *	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1994	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1995	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1996	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1997	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1998	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
1999	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2000	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2001	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2002	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2003	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2004	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2005	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2006	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	60,967	741,761
2007 **	62,999	62,999	56,902	62,999	60,967	62,999	60,967	62,999	62,999	60,967	62,999	9,205,967	9,886,761

25,410,907

* INTEREST RATE MAY CHANGE ON THE REMARKETING DATE PER THE PROVISIONS IN THE TRUST INDENTURE.
** PRINCIPAL DUE ON DECEMBER 1, 2007.

04707

SCHEDULE 2

South Carolina HFA—Series A (University Place Apts.): Mortgage Revenue Bonds

Debt Service Schedule

Maturity Date	Principal Amount	Interest Rate	Interest Payable	Total Debt Service
1-87			264,159.37	264,159.37
7-87			264,159.37	264,159.37
1-88			264,159.37	264,159.37
7-88			264,159.37	264,159.37
1-89	25,000.00	7.1250	264,159.37	289,159.37
7-89	30,000.00	7.1250	263,268.75	293,268.75
1-90	30,000.00	7.1250	262,200.00	292,200.00
7-90	35,000.00	7.1250	261,131.25	296,131.25
1-91	40,000.00	7.1250	259,884.38	299,884.37
7-91	40,000.00	7.1250	258,459.37	298,459.37
1-92	45,000.00	7.1250	257,034.37	302,034.37
7-92	45,000.00	7.1250	255,431.25	300,431.25
1-93	50,000.00	7.1250	253,828.13	303,828.13
7-93	50,000.00	7.1250	252,046.87	302,046.88
1-94	55,000.00	7.1250	250,265.63	305,265.62
7-94	55,000.00	7.1250	248,306.25	303,306.25
1-95	60,000.00	7.1250	246,346.88	306,346.87
7-95	60,000.00	7.1250	244,209.37	304,209.37
1-96	60,000.00	7.1250	242,071.87	302,071.88
7-96	65,000.00	7.1250	239,934.37	304,934.38
1-97	65,000.00	7.1250	237,618.75	302,618.75
7-97	6,603,000.00	7.1250	235,303.12	6,840,303.12
Totals	7,413,000.00	0.0000	5,589,137.50	13,003,137.50

All bonds pay semi-annual current interest beginning 1- 1-1987
computed from 7- 1-1986.

Assumes settlement on 7-29-1986 with accrued interest of \$ 41,091.46.

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04708

EXHIBIT

NOV 5 1986 NO. 16

STATE BUDGET & CONTROL BOARD

SCHEDULE 3

South Carolina HFA—Series A (University Place Apts.): Mortgage Revenue Bonds
Calculation of Total Payout Required

	Scheduled Bond Debt Service	Issuer's Fee	Servicer's Fee	Corporate Fiduciary/ State Trustee	Total Payout Required
1. 1987	264159.37	9268.75	4634.38	7400.00	285462.51
7. 1987	264159.37	9268.75	4634.38	7400.00	285462.51
1. 1988	264159.37	9268.75	4634.38	7400.00	285462.51
7. 1988	264159.37	9268.75	4634.38	7400.00	285462.51
1. 1989	289159.37	9268.75	4634.38	7400.00	310462.50
7. 1989	293268.75	9237.50	4634.38	7400.00	314540.63
1. 1990	292200.00	9200.00	4634.38	7400.00	313434.38
7. 1990	296131.25	9162.50	4634.38	7400.00	317328.13
1. 1991	299884.37	9118.75	4634.38	7400.00	321037.50
7. 1991	298459.37	9068.75	4634.38	7400.00	319562.51
1. 1992	302034.37	9018.75	4634.38	7400.00	323087.50
7. 1992	300431.25	8962.50	4634.38	7400.00	321428.13
1. 1993	303828.13	8906.25	4634.38	7400.00	324768.75
7. 1993	302046.88	8843.75	4634.38	7400.00	322925.01
1. 1994	305265.62	8781.25	4634.38	7400.00	326081.25
7. 1994	303306.25	8712.50	4634.38	7400.00	324053.13
1. 1995	306346.87	8643.75	4634.38	7400.00	327025.01
7. 1995	304209.37	8568.75	4634.38	7400.00	324812.51
1. 1996	302071.88	8493.75	4634.38	7400.00	322600.00
7. 1996	304934.38	8418.75	4634.38	7400.00	325387.51
1. 1997	302618.75	8337.50	4634.38	7400.00	322990.63
7. 1997	6840303.12	8256.25	4634.38	7400.00	6860593.75
TOTALS	13003137.50	196075.00	101956.36	162800.00	13463968.86

* - Issuer's fee equals .25% on outstanding principal balance of Bonds.
Servicer fee equals .125% on principal amount of mortgage loan.
Corporate Fiduciary and Trustee's fees equal \$7,400 annually.

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04709

SCHEDULE 4A

South Carolina HFA—Series A (University Place Apts.): Mortgage Revenue Bonds
PROOF OF YIELD

COL 1		COL 2	COL 3
DATE	AMOUNT VALUED	B. 44060 X P.V. FACTOR	PRESENT VALUE (COL 1 X COL 2)
1- 1-1987	264159.37	0.9656956253	255097.55
7- 1-1987	264159.37	0.9265907172	244767.62
1- 1-1988	264159.37	0.8890693245	234856.00
7- 1-1988	264159.37	0.8530673242	225345.73
1- 1-1989	289159.37	0.8185231900	236683.65
7- 1-1989	293268.75	0.7853778871	230326.79
1- 1-1990	292200.00	0.7535747710	220194.55
7- 1-1990	296131.25	0.7230594913	214120.51
1- 1-1991	299884.37	0.6937798983	208053.75
7- 1-1991	298459.37	0.6656859539	198680.21
1- 1-1992	302034.37	0.6387296467	192918.31
7- 1-1992	300431.25	0.6128649089	184123.77
1- 1-1993	303828.13	0.5880475386	178665.38
7- 1-1993	302046.88	0.5642351237	170425.46
1- 1-1994	305265.62	0.5413869694	165266.83
7- 1-1994	303306.25	0.5194640290	157556.69
1- 1-1995	306346.87	0.4984288368	152692.12
7- 1-1995	304209.37	0.4782454443	145486.75
1- 1-1996	302071.88	0.4588793588	138614.55
7- 1-1996	304934.38	0.4402974840	134261.84
1- 1-1997	302618.75	0.4224680643	127846.76
7- 1-1997	6840303.12	0.4053606297	2772789.58
TOTALS	13003137.50		6788774.40

—ALL PAYMENTS VALUED TO 7-29-1986

—AMOUNT VALUED FROM SCHEDULE 10A-1

—Present value factors based on 2 compounding intervals per year.

PAR + ACCRUED INTEREST - INSURANCE PREMIUM = PRICE FOR YIELD PROOF
\$7,415,000 + 41,091.46 - 667,350 = \$6,788,741.46

— BECAUSE THE PRICE FOR YIELD PROOF IS LESS THAN THE CALCULATED VALUE (TOTAL OF COL. 3) THE TRUE YIELD IS GREATER THAN THE YIELD USED IN THE CALCULATION (TOP COL. 2)

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04710

-SCHEDULE 4A-1

South Carolina HFA-Series A (University Place Apts.): Mortgage Revenue Bonds
Calculation of Bond Debt Service for Yield Purposes

	Bond Debt Service When Due	Prior Redemptions of Bonds	Total Bond Debt Service
1. 1987	264159.37	0.00	264159.37
7. 1987	264159.37	0.00	264159.37
1. 1988	264159.37	0.00	264159.37
7. 1988	264159.37	0.00	264159.37
1. 1989	289159.37	0.00	289159.37
7. 1989	293268.75	0.00	293268.75
1. 1990	292200.00	0.00	292200.00
7. 1990	296131.25	0.00	296131.25
1. 1991	299884.37	0.00	299884.37
7. 1991	298459.37	0.00	298459.37
1. 1992	302034.37	0.00	302034.37
7. 1992	300431.25	0.00	300431.25
1. 1993	303828.13	0.00	303828.13
7. 1993	302046.88	0.00	302046.88
1. 1994	305265.62	0.00	305265.62
7. 1994	303306.25	0.00	303306.25
1. 1995	306346.87	0.00	306346.87
7. 1995	304209.37	0.00	304209.37
1. 1996	302071.88	0.00	302071.88
7. 1996	304934.38	0.00	304934.38
1. 1997	302618.75	0.00	302618.75
7. 1997	6840303.12	0.00	6840303.12
TOTALS	13003137.50	0.00	13003137.50

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04711

-SCHEDULE 4B

South Carolina HFA—Series A (University Place Apts.): Mortgage Revenue Bonds
PROOF OF YIELD

COL 1		COL 2	COL 3
DATE	AMOUNT VALUED	9.94060 % P.V. FACTOR	PRESENT VALUE (COL 1 X COL 2)
1- 1-1987	273428.13	0.9392658996	262454.33
7- 1-1987	273428.13	0.9144166489	250027.23
1- 1-1988	273428.13	0.8711194013	238188.54
7- 1-1988	273428.13	0.8278722604	226910.42
1- 1-1989	298428.13	0.7905781544	235930.76
7- 1-1989	302506.25	0.7531446079	227830.93
1- 1-1990	301400.00	0.7174835243	216249.53
7- 1-1990	305293.75	0.6835109782	208671.63
1- 1-1991	309003.12	0.6511470179	201206.46
7- 1-1991	307528.12	0.6203134777	190764.46
1- 1-1992	311053.12	0.5909437981	183814.92
7- 1-1992	309393.75	0.5629628553	174177.19
1- 1-1993	312734.37	0.5363067985	167721.57
7- 1-1993	310890.62	0.5109128949	158838.03
1- 1-1994	314046.87	0.4867213821	152853.33
7- 1-1994	312018.75	0.4636753273	144675.40
1- 1-1995	314990.63	0.4417204936	139137.81
7- 1-1995	312778.12	0.4208052121	131618.67
1- 1-1996	310565.62	0.4008902605	124499.63
7- 1-1996	313353.13	0.3818987471	119669.17
1- 1-1997	310956.25	0.3639160004	113130.86
7- 1-1997	6848559.37	0.3465894643	2373638.52
TOTALS	13199212.50		6242009.40

ALL PAYMENTS VALUED TO 7-29-1986

—AMOUNT VALUED FROM SCHEDULE 4V-1

Present value factors based on 2 compounding intervals per year.

Present Value of Adjusted Draws (Sch 4C) is \$ 6,669,504.62

—BECAUSE THE PRESENT VALUE OF ADJUSTED DRAWS IS GREATER THAN THE CALCULATED VALUE (TOTAL OF COL. 3) THE TRUE YIELD IS LESS THAN THE YIELD USED IN THE CALCULATION (TOP OF COL. 2)

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04712

SCHEDULE 4B-1

South Carolina HFA—Series A (University Place Apts.): Mortgage Revenue Bonds
Calculation of Net Mortgage Payments for Yield Purposes

	Payments made by Developer	Less Recoverable Expenses	Less Servicer Fees	Net Payments
1. 1987	285462.51	-7400.00	-4634.38	273428.13
7. 1987	285462.51	-7400.00	-4634.38	273428.13
1. 1988	285462.51	-7400.00	-4634.38	273428.13
7. 1988	285462.51	-7400.00	-4634.38	273428.13
1. 1989	310462.50	-7400.00	-4634.38	298428.13
7. 1989	314340.63	-7400.00	-4634.38	302306.25
1. 1990	313434.38	-7400.00	-4634.38	301400.00
7. 1990	317328.13	-7400.00	-4634.38	305293.75
1. 1991	321037.50	-7400.00	-4634.38	309003.12
7. 1991	319362.51	-7400.00	-4634.38	307328.12
1. 1992	323087.50	-7400.00	-4634.38	311053.12
7. 1992	321428.13	-7400.00	-4634.38	309393.75
1. 1993	324768.75	-7400.00	-4634.38	312734.37
7. 1993	322925.01	-7400.00	-4634.38	310890.62
1. 1994	326081.25	-7400.00	-4634.38	314046.87
7. 1994	324053.13	-7400.00	-4634.38	312018.75
1. 1995	327025.01	-7400.00	-4634.38	314990.63
7. 1995	324812.51	-7400.00	-4634.38	312778.12
1. 1996	322600.00	-7400.00	-4634.38	310565.62
7. 1996	325387.51	-7400.00	-4634.38	313353.13
1. 1997	322990.63	-7400.00	-4634.38	310956.25
7. 1997	6860593.75	-7400.00	-4634.38	6848559.37
TOTALS	13463968.86	-162800.00	-101956.36	13199212.50

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986-

04713

SCHEDULE 4C

South Carolina HFA (University Place Apartments): Mortgage Loan Data
Present Value of Mortgage Acquisition Cost

Date	PAR of Monthly Draws	Adjusted for Points (A)	P.V. Factor	P.V. of Adjusted Draws
8.1.1986	7415000.00	0.00	0.99946118	7411004.62
9.1.1986	0.00	0.00	0.99141356	0.00
10.1.1986	0.00	0.00	0.98343075	0.00
11.1.1986	0.00	0.00	0.97551221	0.00
12.1.1986	0.00	0.00	0.96765743	0.00
1.1.1987	0.00	0.00	0.95986590	0.00
2.1.1987	0.00	0.00	0.95213711	0.00
3.1.1987	0.00	0.00	0.94447054	0.00
4.1.1987	0.00	0.00	0.93684571	0.00
5.1.1987	0.00	0.00	0.92932211	0.00
6.1.1987	0.00	0.00	0.92183925	0.00
7.1.1987	0.00	0.00	0.91441665	0.00
8.1.1987	0.00	0.00	0.90705381	0.00
9.1.1987	0.00	0.00	0.89975026	0.00
10.1.1987	0.00	0.00	0.89250551	0.00
11.1.1987	0.00	0.00	0.88531910	0.00
12.1.1987	0.00	0.00	0.87819055	0.00
1.1.1988	0.00	0.00	0.87111940	0.00
2.1.1988	0.00	0.00	0.86410519	0.00
3.1.1988	0.00	0.00	0.85714746	0.00
4.1.1988	0.00	0.00	0.85024574	0.00
5.1.1988	0.00	0.00	0.84337961	0.00
6.1.1988	0.00	0.00	0.83660859	0.00
7.1.1988	0.00	0.00	0.82987226	0.00
Totals	7415000.00	7415000.00	0.99946118	7411004.62

(A) PAR of monthly draws less 0.0000 X representing all 'points' paid by buyer or seller (at bond closing or mortgage closing) including origination fee.

Present Value of adjusted draws (col A) \$ 7411004.62
Less: Additional amounts paid by mortgagors 741500.00
at time of bond closing 741500.00

Present Value of adjusted draws \$ 6669504.62

Present value factors based on 2 compounding intervals per year.

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

047714

SCHEDULE 2

South Carolina HFA--Series B (Graduate Points Apts.): Mortgage Revenue Bonds

Debt Service Schedule

Maturity Date	Principal Amount	Interest Rate	Interest Payable	Total Debt Service
1-87			247,406.25	247,406.25
7-87			247,406.25	247,406.25
1-88			247,406.25	247,406.25
7-88			247,406.25	247,406.25
1-89	20,000.00	7.2500	247,406.25	267,406.25
7-89	25,000.00	7.2500	246,681.25	271,681.25
1-90	30,000.00	7.2500	245,775.00	275,775.00
7-90	35,000.00	7.2500	244,687.50	279,687.50
1-91	35,000.00	7.2500	243,418.75	278,418.75
7-91	40,000.00	7.2500	242,150.00	282,150.00
1-92	40,000.00	7.2500	240,700.00	280,700.00
7-92	45,000.00	7.2500	239,250.00	284,250.00
1-93	45,000.00	7.2500	237,618.75	282,618.75
7-93	45,000.00	7.2500	235,987.50	280,987.50
1-94	50,000.00	7.2500	234,356.25	284,356.25
7-94	50,000.00	7.2500	232,543.75	282,543.75
1-95	55,000.00	7.2500	230,731.25	285,731.25
7-95	55,000.00	7.2500	228,737.50	283,737.50
1-96	55,000.00	7.2500	226,743.75	281,743.75
7-96	60,000.00	7.2500	224,750.00	284,750.00
1-97	60,000.00	7.2500	222,575.00	282,575.00
7-97	65,000.00	7.2500	220,400.00	285,400.00
1-98	65,000.00	7.2500	218,043.75	283,043.75
7-98	5,950,000.00	7.2500	215,687.50	6,165,687.50
Totals	6,825,000.00	0.0000	5,667,868.75	12,492,868.75

All bonds pay semi-annual current interest beginning 1- 1-1987
computed from 7- 1-1986.

Assumes settlement on 7-29-1986 with accrued interest of \$ 38,485.42.

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04715

- SCHEDULE 3

South Carolina HFA--Series B (Graduate Points Apts.): Mortgage Revenue Bonds
Calculation of Total Payout Required

	Scheduled Bond Debt Service	Issuer's Fee	Servicer's Fee	Corporate Fiduciary/ State Trustee	Total Payout Required
1. 1987	247406.25	8531.25	4265.63	7400.00	267603.13
7. 1987	247406.25	8531.25	4265.63	7400.00	267603.13
1. 1988	247406.25	8531.25	4265.63	7400.00	267603.13
7. 1988	247406.25	8531.25	4265.63	7400.00	267603.13
1. 1989	267406.25	8531.25	4265.63	7400.00	287603.13
7. 1989	271681.25	8506.25	4265.63	7400.00	291853.13
1. 1990	275775.00	8475.00	4265.63	7400.00	295915.63
7. 1990	279687.50	8437.50	4265.63	7400.00	299790.63
1. 1991	278418.75	8393.75	4265.63	7400.00	298478.13
7. 1991	282150.00	8350.00	4265.63	7400.00	302165.63
1. 1992	280700.00	8300.00	4265.63	7400.00	300665.63
7. 1992	284250.00	8250.00	4265.63	7400.00	304165.63
1. 1993	282618.75	8193.75	4265.63	7400.00	302478.13
7. 1993	280987.50	8137.50	4265.63	7400.00	300790.63
1. 1994	284356.25	8081.25	4265.63	7400.00	304103.13
7. 1994	282543.75	8018.75	4265.63	7400.00	302228.13
1. 1995	285731.25	7956.25	4265.63	7400.00	305353.13
7. 1995	283737.50	7887.50	4265.63	7400.00	303290.63
1. 1996	281743.75	7818.75	4265.63	7400.00	301228.13
7. 1996	284750.00	7750.00	4265.63	7400.00	304165.63
1. 1997	282575.00	7675.00	4265.63	7400.00	301915.63
7. 1997	285400.00	7600.00	4265.63	7400.00	304665.63
1. 1998	283043.75	7518.75	4265.63	7400.00	302228.13
7. 1998	6165687.50	7437.50	4265.63	7400.00	6184790.63
TOTALS	12492868.75	195443.75	102375.12	177600.00	12968287.62

* - Issuer's fee equals .25% on outstanding principal balance of Bonds.
Servicer fee equals .125% on principal amount of mortgage loan.
Corporate Fiduciary and Trustee's fees equal \$7,400 annually.

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04716

SCHEDULE 4A

South Carolina HFA--Series B (Graduate Points Apts.): Mortgage Revenue Bonds
PROOF OF YIELD

DATE	COL 1 AMOUNT VALUED	COL 2 B. 50830 % P. V. FACTOR	COL 3 PRESENT VALUE (COL 1 X COL 2)
1- 1-1987	247406.25	0.9654308438	238853.62
7- 1-1987	247406.25	0.9260358880	229107.07
1- 1-1988	247406.25	0.8882484659	219758.22
7- 1-1988	247406.25	0.8520029811	210790.86
1- 1-1989	267406.25	0.8172365139	218534.15
7- 1-1989	271681.25	0.7838887123	212967.87
1- 1-1990	275775.00	0.7519016867	207355.69
7- 1-1990	279687.50	0.7212199099	201716.19
1- 1-1991	278418.75	0.6917901205	192607.34
7- 1-1991	282150.00	0.6635612304	187223.80
1- 1-1992	280700.00	0.6364842363	178661.13
7- 1-1992	284250.00	0.6105121343	173538.07
1- 1-1993	282618.75	0.5855998388	165501.49
7- 1-1993	280987.50	0.5617041036	157831.83
1- 1-1994	284356.25	0.5387834476	153206.44
7- 1-1994	282543.75	0.5167980820	146018.07
1- 1-1995	285731.25	0.4957098418	141639.79
7- 1-1995	283737.50	0.4754821192	134912.11
1- 1-1996	281743.75	0.4560798004	128497.63
7- 1-1996	284750.00	0.4374692042	124569.36
1- 1-1997	282575.00	0.4196180240	118573.56
7- 1-1997	285400.00	0.4024952714	114872.15
1- 1-1998	283043.75	0.3860712225	109275.05
7- 1-1998	6165687.50	0.3703173663	2283261.16
TOTALS	12492868.75		6249272.66

ALL PAYMENTS VALUED TO 7-29-1986

AMOUNT VALUED FROM SCHEDULE 4A-1

Present value factors based on 2 compounding intervals per year.

PAR + ACCRUED INTEREST - INSURANCE PREMIUM = PRICE FOR YIELD PROOF
 \$6,825,000 + 38,485.42 - 614,250 = \$6,249,235.42

BECAUSE THE PRICE FOR YIELD PROOF IS LESS THAN THE CALCULATED VALUE (TOTAL OF COL. 3) THE TRUE YIELD IS GREATER THAN THE YIELD USED IN THE CALCULATION (TOP COL. 2)

Yield analysis—reasonable expectations
 Tuesday, 2:10 pm, July 22, 1986

04717

-SCHEDULE 4A-1

South Carolina HFA-Series B (Graduate Points Apts.); Mortgage Revenue Bonds
Calculation of Bond Debt Service for Yield Purposes

	Bond Debt Service When Due	Prior Redemptions of Bonds	Total Bond Debt Service
1. 1987	247406.25	0.00	247406.25
7. 1987	247406.25	0.00	247406.25
1. 1988	247406.25	0.00	247406.25
7. 1988	247406.25	0.00	247406.25
1. 1989	267406.25	0.00	267406.25
7. 1989	271681.25	0.00	271681.25
1. 1990	275775.00	0.00	275775.00
7. 1990	279687.50	0.00	279687.50
1. 1991	278418.75	0.00	278418.75
7. 1991	282150.00	0.00	282150.00
1. 1992	280700.00	0.00	280700.00
7. 1992	284250.00	0.00	284250.00
1. 1993	282618.75	0.00	282618.75
7. 1993	280987.50	0.00	280987.50
1. 1994	284356.25	0.00	284356.25
7. 1994	282543.75	0.00	282543.75
1. 1995	285731.25	0.00	285731.25
7. 1995	283737.50	0.00	283737.50
1. 1996	281743.75	0.00	281743.75
7. 1996	284750.00	0.00	284750.00
1. 1997	282575.00	0.00	282575.00
7. 1997	285400.00	0.00	285400.00
1. 1998	283043.75	0.00	283043.75
7. 1998	6165687.50	0.00	6165687.50
TOTALS	12492868.75	0.00	12492868.75

Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04718

SCHEDULE 4B

South Carolina HFA--Series B (Graduate Points Apts.): Mortgage Revenue Bonds
PROOF OF YIELD

	COL 1	COL 2	COL 3
DATE	AMOUNT VALUED	10.00830 % P.V. FACTOR	PRESENT VALUE (COL 1 X COL 2)
1- 1-1987	255937.50	0.9596045964	245598.80
7- 1-1987	255937.50	0.9138730197	233894.38
1- 1-1988	255937.50	0.8703208585	222747.74
7- 1-1988	255937.50	0.8288442490	212132.32
1- 1-1989	275937.50	0.7893442773	217809.69
7- 1-1989	280187.50	0.7517267435	210624.44
1- 1-1990	284250.00	0.7159019367	203495.13
7- 1-1990	288125.00	0.6817844216	196439.14
1- 1-1991	286812.50	0.6492928342	186225.30
7- 1-1991	290500.00	0.6184496883	179630.58
1- 1-1992	289000.00	0.5863811902	170186.66
7- 1-1992	292500.00	0.5608170632	164038.99
1- 1-1993	290812.50	0.5340903794	155320.16
7- 1-1993	289125.00	0.5086374009	147059.79
1- 1-1994	292437.50	0.4843974271	141655.97
7- 1-1994	290562.50	0.4613126501	134040.16
1- 1-1995	293687.50	0.4393280171	129025.15
7- 1-1995	291625.00	0.4185910990	122013.30
1- 1-1996	289562.50	0.3984519650	115376.75
7- 1-1996	292500.00	0.3794630640	110992.95
1- 1-1997	290250.00	0.3613791112	104890.29
7- 1-1997	293000.00	0.3441569797	100838.00
1- 1-1998	290562.50	0.3277555980	95233.49
7- 1-1998	6173125.00	0.3121358518	1926853.63
TOTALS	12688312.50		5726122.79

ALL PAYMENTS VALUED TO 7-29-1986

—AMOUNT VALUED FROM SCHEDULE 4B-1

Present value factors based on 2 compounding intervals per year.

Present Value of Adjusted Draws (Sch 10C) is \$ 6,138,798.09

BECAUSE THE PRESENT VALUE OF ADJUSTED DRAWS IS GREATER THAN THE CALCULATED VALUE
(TOTAL OF COL. 3) THE TRUE YIELD IS LESS THAN THE YIELD USED IN THE CALCULATION
(TOP OF COL. 2)Yield analysis—reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04719

EXHIBIT

NOV 5 1986

NO. 16

STATE BUDGET & CONTROL BOARD

SCHEDULE 4B-1

South Carolina MFA--Series B (Graduate Points Apts.): Mortgage Revenue Bonds
Calculation of Net Mortgage Payments for Yield Purposes

	Payments made by Developer	Less Recoverable Expenses	Less Servicer Fees	Net Mortgage Payments
1. 1987	267603.13	-7400.00	-4265.63	255937.50
7. 1987	267603.13	-7400.00	-4265.63	255937.50
1. 1988	267603.13	-7400.00	-4265.63	255937.50
7. 1988	267603.13	-7400.00	-4265.63	255937.50
1. 1989	287603.13	-7400.00	-4265.63	275937.50
7. 1989	291853.13	-7400.00	-4265.63	280187.50
1. 1990	295915.63	-7400.00	-4265.63	284250.00
7. 1990	299790.63	-7400.00	-4265.63	288125.00
1. 1991	298478.13	-7400.00	-4265.63	286812.50
7. 1991	302165.63	-7400.00	-4265.63	290500.00
1. 1992	300665.63	-7400.00	-4265.63	289000.00
7. 1992	304165.63	-7400.00	-4265.63	292500.00
1. 1993	302478.13	-7400.00	-4265.63	290812.50
7. 1993	300790.63	-7400.00	-4265.63	289125.00
1. 1994	304103.13	-7400.00	-4265.63	292437.50
7. 1994	302228.13	-7400.00	-4265.63	290562.50
1. 1995	305353.13	-7400.00	-4265.63	293687.50
7. 1995	303290.63	-7400.00	-4265.63	291625.00
1. 1996	301228.13	-7400.00	-4265.63	289562.50
7. 1996	304165.63	-7400.00	-4265.63	292500.00
1. 1997	301915.63	-7400.00	-4265.63	290250.00
7. 1997	304665.63	-7400.00	-4265.63	293000.00
1. 1998	302228.13	-7400.00	-4265.63	290562.50
7. 1998	6184790.63	-7400.00	-4265.63	6173125.00
TOTALS	12968287.62	-177600.00	-102375.12	12688312.50

Yield analysis--reasonable expectations
Tuesday, 2:10 pm, July 22, 1986

04720

EXHIBIT

NOV 5 1986 NO. 17

STATE BUDGET AND CONTROL ~~BOARD~~ BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF November 5, 1986 ITEM NUMBER

10

AGENCY: State Housing Authority

SUBJECT: \$100,000,000 State Ceiling Allocation

The Housing Authority, in addition to the \$50,000,000 allocation requested for the issue proposed to be made in 1986, is asking for a State Ceiling allocation of \$100,000,000. If approved the Authority proposes to carry the allocation forward for issue in 1987.

Staff recommends that the Board defer action on this request until December. Staff also recommends that the Board agree to allocate to the Housing Authority whatever balance of the State Ceiling is not requested by other issuing authorities.

BOARD ACTION REQUESTED:

Defer action on the State Housing Authority's request for an allocation of \$100,000,000 of the State Ceiling and agree to allocate to the Authority for carryforward whatever balance of the State Ceiling is not requested by other issuing authorities.

ATTACHMENTS:

Housing Authority Petition dated October 15

04721

EXHIBIT

NOV 5 1986 NO. 17

PETITION

STATE BUDGET & CONTROL BOARD

TO: THE HONORABLE, THE STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA:

1. At their meeting on October 8, 1986, the Commissioners of the South Carolina State Housing Authority (the "Authority") instructed the Authority's staff to request that the South Carolina State Budget and Control Board (the "Board") grant \$150,000,000 of the State Ceiling for private activity bonds to the Authority for the purpose of providing safe, decent and sanitary housing for the low and moderate-to-low income citizens of the State. A copy of the pertinent portion of the minutes of the Authority's meeting on October 8, 1986, is attached as an exhibit.

2. The Authority has submitted to the Board its request for an allocation of \$50,000,000 of the 1986 State Ceiling for private activity bonds for the issuance by the Authority of its South Carolina State Housing Authority Homeownership Mortgage Purchase Bonds, 1986 Series A, together with its request for the Board's conditional approval of the issuance of such Bonds.

3. In order to meet the continued need for safe, decent and sanitary housing within the State, the South Carolina State Housing Authority requests that the Board grant to the Authority an allocation of an additional \$100,000,000 of the 1986 State Ceiling for private activity bonds. Such allocation is requested solely and exclusively for the purpose of providing housing. In making this request it is understood by the Authority that should the Board grant this request, the Authority will, to the extent permitted by Federal law, exert its utmost efforts to carry any unused portion of its allocation of the 1986 State Ceiling forward for use during calendar year 1987.

Respectively submitted,

THE SOUTH CAROLINA
STATE HOUSING AUTHORITY

By: 

Linwood H. Ransom, Jr.
Executive Director

Columbia, South Carolina
October 15, 1986

04722

EXHIBIT

NOV 5 1986

NO. 17

STATE OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND

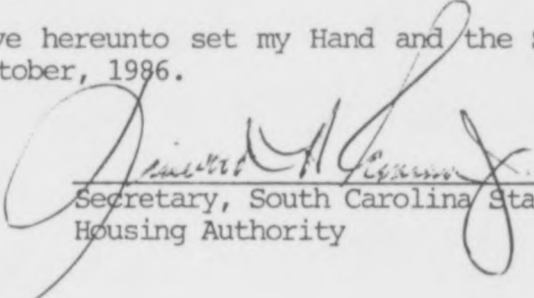
I, the undersigned, Secretary of the South Carolina State Housing Authority (the "Authority") DO HEREBY CERTIFY:

That as such Secretary I have custody of the records and documents of the Authority. Attached hereto is a true, correct and verbatim copy of a portion of the minutes of the meeting of the Commissioners of the Authority held on October 8, 1986.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Authority this 17 day October, 1986.

(SEAL)




Secretary, South Carolina State
Housing Authority

04723



EXHIBIT

NOV 5 1986

NO. 17

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA STATE HOUSING AUTHORITY

1710 GERVAIS STREET • SUITE 300 • COLUMBIA, SOUTH CAROLINA 29201

REGULAR COMMISSION MEETING

OCTOBER 8, 1986

The Board of Commissioners met on Wednesday, October 8, 1986, at 9:00 o'clock A.M. in the Authority's Third Floor Conference Room, Suite 300, 1710 Gervais Street, Columbia, South Carolina.

COMMISSIONERS:

Thomas E. Felder, Chairman
Nathaniel W. Rosenfeld, Vice Chairman
William D. Boan
Jeanine Green
Scott Griffin
Walton J. McLeod, III
Harold I. Sherman
Dee A. Smith
H. P. Stephenson
Rebecca K. Swindell

STAFF:

Linwood H. Ransom, Executive Director/Secretary
Alice E. Mosser, Deputy Executive Director-Finance
W. Turner Styons, Deputy Executive Director-Programs
Lewis M. Levy, General Counsel
Floride T. Hornsby, Assistant Secretary

CONSULTANTS:

Brantley Barr, Morgan Guaranty Trust Company of
New York
Brenton Jeffcoat, McNair Firm
Ron L. Cobb, Public Information Consultant

GUESTS:

Thomas Pietras, Arthur Young Company
Terri Jenkins, Human Resource Management
John D. Gregory, Attorney, Cranston Securities

The meeting was called to order at 9:04 A.M. by the Chairman who welcomed those present. Chairman Felder discussed the Agenda (see Exhibit A) and requested a Motion.

04724

EXHIBIT

NOV 5 1986 NO. 17

-2-

STATE BUDGET & CONTROL BOARD

MOTION

Commissioner Sherman moved to approve the Agenda, as presented. Seconded by Commissioner Stephenson, unanimously adopted, and SO ORDERED.

Normal business of the Authority was transacted.

Chairman Felder initiated a discussion with regard to the Tax Reform Act and its effect on the programs of the State Housing Authority. The Commissioners discussed at length Mr. Barr's comments concerning the possibility of requesting an allocation from the Budget and Control Board of the State's Volume Cap for the purpose of doing a bond issue before the end of the year, carrying forward the remainder of the allocation for use during the calendar year 1987. Chairman Felder requested a Motion.

MOTION

Commissioner Rosenfeld moved to go to the Budget and Control Board to request \$150 million of the State's allocation for 1986, with any unused portion to be carried forward for use during calendar year 1987. Seconded by Commissioner Sherman, unanimously adopted, and SO ORDERED.

MOTION

Chairman Felder moved to authorize staff and Morgan Bank to proceed with the preparation for a possible bond issue of not more than \$50 million with an upset interest rate not to exceed 8.00% to 8.25% when market conditions permit. Seconded by Commissioner McLeod, unanimously adopted, and SO ORDERED.

Other business of the Authority ensued.

The meeting was adjourned.

RESPECTFULLY SUBMITTED.

Linwood H. Ransom
Secretary

ATTEST:

04725

Thomas E. Felder, Chairman

EXHIBIT

NOV 5 1986 NO. 17

STATE BUDGET & CONTROL BOARD



SOUTH CAROLINA STATE HOUSING AUTHORITY

1710 GERVAIS STREET • SUITE 300 • COLUMBIA, SOUTH CAROLINA 29201

October 17, 1986

Dr. Jesse A. Coles
Executive Director
South Carolina State Budget
and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: South Carolina State Housing Authority Tax-Exempt Bond Issues

Dear Dr. Coles:

The South Carolina State Housing Authority requests an allocation from the State Ceiling for private activity bonds in the aggregate amount of \$150 million for the purpose of issuing qualified tax-exempt housing bonds. As used in this request the term "housing" includes both single family and multifamily housing.

The Authority is currently considering the issuance of approximately \$50 million of its Homeownership Mortgage Purchase Bonds on or about December 1, 1986. The balance of the \$150 million will be carried forward to calendar year 1987.

In support of this request, the following documents are enclosed:

- 1) Petition to the Board requesting allocation of \$50 million of the 1986 State Ceiling for private activity bonds and authorization to issue \$50 million in Homeownership Mortgage Purchase Bonds.
- 2) Proposed Resolution of the Board granting a \$50 million allocation of the 1986 State Ceiling for private activity bonds and conditionally the issuance of \$50 million of the Authority's Homeownership Mortgage Purchase Bonds.

04726

EXHIBIT

NOV 5 1986 NO. 17

Dr. Jesse A. Coles
Executive Director
State Budget and Control Board
PO Box 12444
Columbia, SC 29211

Page 2

STATE BUDGET & CONTROL BOARD

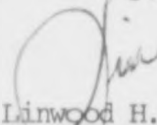
October 17, 1986

- 3) Petition to the Board (with attached excerpt from the minutes of the Authority's meeting on October 8, 1986) requesting an allocation of \$100 million of the 1986 State Ceiling for private activity bonds, to be used solely and exclusively for the purpose of housing.
- 4) Resolution of the Board approving the allocation to the South Carolina State Housing Authority of \$100 million of the 1986 State Ceiling for private activity bonds to be used solely and exclusively for the purpose of housing.

Please contact me at 734-8713 if I may provide you with any further information regarding this request.

With warm regards.

Sincerely,



Linwood H. Ransom
Executive Director
South Carolina State Housing Authority

LHR/fh
Enclosures

04727



EXHIBIT

OCT 14 1986

NOV 5 1986

NO. 17

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA STATE HOUSING AUTHORITY

1710 GERVAIS STREET • SUITE 300 • COLUMBIA, SOUTH CAROLINA 29201

October 14, 1986

Dr. Jesse A. Coles
Executive Director
South Carolina State Budget
and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: South Carolina State Housing Authority Tax-Exempt Bond Issues

Dear Dr. Coles :

The South Carolina State Housing Authority requests an allocation from the State Volume for private activity bonds in the aggregate amount of \$150,000,000 for the purpose of issuing qualified tax-exempt housing bonds. As used in this request the term "housing" includes both single family and multifamily housing.

The Authority is currently considering the issuance of approximately \$50,000,000 of its Homeownership Mortgage Purchase Bonds on or about December 1, 1986. The balance of the \$150,000,000 will be carried forward to calendar year 1987.

The new Tax Reform Act contains a "carry forward" provision which permits the use of the unused housing allocation during the next calendar year. On or before December 15, 1986, we must notify the Philadelphia office of the Internal Revenue Service of the total volume of bonds issued against the allocation during calendar year 1986. At that time we must also apply for a "carryover" to 1987 of the remaining housing allocation.

04728

EXHIBIT

NOV 5 1986 NO. 17

Dr. Jesse A. Coles
Executive Director
State Budget and Control Board
PO Box 12444
Columbia, SC 29211

Page 2

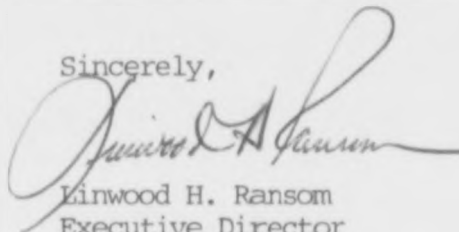
STATE BUDGET & CONTROL BOARD

October 14, 1986

Please contact me at 734-8713 if I may provide you with any further information regarding this request.

With warm regards.

Sincerely,



Linwood H. Ransom
Executive Director
South Carolina State Housing Authority

LHR/fh

04729

EXHIBIT

NOV 5 1986

NO. 1 8

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

11

AGENCY: Executive Director

SUBJECT: Private Activity Bonds; Allocation of State Ceiling

The required reviews on the following local government proposals to issue revenue bonds have not yet been completed. Staff will advise the Board on the results of these reviews at the meeting.

Each of the projects requires approval under State law. An allocation of a portion of the Ceiling is requested for item (a).

- | | |
|------------------------|---|
| (a) Issuing Authority: | Greenville County |
| Amount of Issue: | \$180,000 Industrial Revenue Bond |
| Name of Project: | Hart-Greenville |
| Employment Impact: | approximately 75 upon completion |
| Project Description: | Completion of light manufacturing, distribution and warehousing facility (including offices) |
| | |
| (b) Issuing Authority: | Charleston County |
| Amount of Issue: | \$30,000,000 Hospital Facilities Revenue Parity Bonds |
| Name of Project: | Roper Hospital |
| Project Description: | New wing containing patient beds and ancillary facilities; renovations/additions to existing facilities |
| | |
| (c) Issuing Authority: | Greenville County |
| Amount of Issue: | \$6,000,000 Hospital Revenue Bonds |
| Name of Project: | Chestnut Hill Mental Health Center |
| Project Description: | Addition to facilities; refunding \$2,100,000 |

BOARD ACTION REQUESTED:

Adopt resolutions approving the following proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results: (a) Greenville County, \$180,000 Industrial Revenue Bonds on behalf of Hart-Greenville project; (b) Charleston County, \$30,000,000 Hospital Facilities Revenue Parity Bonds on behalf of the Roper Hospital project; and (c) Greenville County, \$6,000,000 Hospital Revenue Bonds on behalf of the Chestnut Hill Mental Health Center; allocate \$180,000 of the State Ceiling to the Hart-Greenville project; and receive as information the status report on the State Ceiling.

ATTACHMENTS:

04730

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

10/30/86

STATUS OF STATE CEILING

	<u>Allocated</u>	<u>Issued</u>
STATE CEILING	<u>251,025,000</u>	
Allocated After 8/15	-79,255,000	10,780,000
Allocated 8/15 or Before But Not Yet Issued	<u>0</u>	<u>3,450,000</u>
	<u>-79,255,000</u>	<u>14,230,000</u>
Balance Unallocated Which May Be Issued After 8/15	<u>171,770,000</u> =====	

04731

NOV - 6 1986

The State of South Carolina EXHIBIT



NOV 5 1986

NO. 18

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

November 5, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: \$180,000 Greenville County, South Carolina
Industrial Revenue Bond
(Hart-Greenville Partnership Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, 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.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/dac

Enclosures

04732

EXHIBIT

NOV 5 1986 NO. 18

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Investment Letter

STATE BUDGET & CONTROL BOARD

TO: Secretary, State Budget and Control Board
P. O. Box 12444
Columbia, SC 29211

RE: Sale by Greenville County, South Carolina (the "Issuer")
Of its \$180,000 Industrial Revenue Bond (the "Bonds")
On behalf of Hart-Greenville Partnership (the "Company")
\$180,000 Greenville County, South Carolina Industrial
Revenue Bond, Series 1986B (Hart-Greenville (the "Project")
Partnership Project)
To The South Carolina National Bank (the "Purchaser")

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed
before me this 24th day
of October, 1986.

Marjorie D. Culine
Notary Public

My Commission expires
4-16-1992.

PURCHASER:

Name: The South Carolina National Bank
Address: PO Box 969
Greenville, SC 29602

BY:

Keena M. Smith
Signature of Authorized Official

Date:

10-24-86

04733

EXHIBIT

NOV 5 1986

NO. 18

STATE OF SOUTH CAROLINA)

Hart-Greenville

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 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 2 P. M., on Wednesday, November 5, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

5

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 the Board in my custody as its Secretary.

November 6, 1986

William A. McInnis

04734

EXHIBIT

NOV 5 1986 NO. 18

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

RESOLUTION STATE BUDGET & CONTROL BOARD

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

WHEREAS, the proposed undertaking consists of the financing by the Governing Board through the issuance of an Industrial Revenue Bond pursuant to the Act of a portion of the costs of completing the construction of a light manufacturing, distribution and warehousing facility (including offices) to be owned by Hart-Greenville Partnership, a South Carolina general partnership, (hereinafter the "Industry") which is being constructed with the proceeds of a Greenville County, South Carolina Industrial Revenue Bond (Hart-Greenville Partnership Project) in the principal amount of Three Million Five Hundred Thousand (\$3,500,000.00) Dollars (the "Bond"), to be leased by the Industry to Malone and Hyde, Inc., a Tennessee corporation, for use in its distribution and warehousing operations (the "Project"); and

WHEREAS, the Industry has agreed to pay Greenville County (the "County") sufficient amounts to provide for the payment of the interest and principal on the Bond of Greenville County and the costs and expenses resulting from the issuance thereof; and

WHEREAS, in order to complete the Project, the Governing Board proposes to provide for the issuance of a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project), in the principal amount of

One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars (the "Series 1986B Bond") pursuant to the Act, payable from the revenues owed under the terms of a Loan Agreement between Greenville County and the Industry executed in connection with the Bond, which Loan Agreement will be amended to reflect the additional loan of the proceeds of the Series 1986B Bond and additionally secured by a new Note executed by the Industry to the County (the "Series 1986B Note"); and

WHEREAS, the Industry has received a commitment (subject to certain conditions) from a financial institution to purchase the Series 1986B Bond;

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 that:
 - (a) The Statement of Facts set forth in the recitals to this Resolution are in all respects true and correct;
 - (b) The Governing Board has filed a proper Petition to the State Board establishing a reasonable estimate of the cost of the Project, containing a general summary of the terms and conditions of the proposed Amendment to the Loan Agreement, Bond Ordinance, and Series 1986B Bond to be made by the Governing Board and the Series 1986B Note to be made by the Industry and seeking an allocation of a portion of the state volume limitation to the Bond;
 - (c) The Project will provide for additional employment opportunities of approximately seventy-five (75) persons in the County, will result in additional capital investment in the County, and will be of benefit to the County and adjoining areas not otherwise available; and
 - (d) The Project is intended to promote the purpose of the Act and is reasonably anticipated to effect such results.
2. On the basis of the foregoing findings, the proposed undertaking of the governing Board to finance a portion of the costs of completing the Project through the issuance of a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project) payable from the revenues to be derived from obligations of the Industry pursuant to the Amendment to the Loan Agreement executed in connection with the Bond, all pursuant to the Act (including changes

in any details in the said financing as finally consummated which do not materially affect the 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 Greenville County above described in Paragraph 2, supra, shall be published in a newspaper having general circulation in Greenville County.
4. Notice to be published shall be in the form and substance set forth in Exhibit "A" to this Resolution.

Approval of this undertaking is granted on the condition that the County and Industry comply with the requirements of the State Budget and Control Board with respect to the issuance of industrial revenue bonds.

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

EXHIBIT

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

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

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

The financing of a portion of the costs of completing the construction of a light manufacturing, warehousing and distribution facility (including offices) by Hart-Greenville Partnership (the "Industry") to be leased to Hyde and Malone, Inc. for use in its warehousing and distribution operations (the "Project") through the issuance of a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project) (the "Series 1986B Bond") in the principal amount of One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars pursuant to Title 4, Chapter 29, 1976 Code of Laws of South Carolina, as amended. The Series 1986B Bond will be additionally secured by a note executed by the Industry to the County. Neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.

Notice is hereby given that any interested party may at any time within

twenty (20) days of the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertakings of Greenville County by action de novo instituted in the Court of Common Pleas for Greenville County.

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

EXHIBIT

State of South Carolina

NOV 5 1986

NO. 18

State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

December 17, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Greenville County
c/o Joseph J. Blake, Jr.
Haynsworth, Marion, McKay & Guerard
Box 2048
Greenville, SC 29602

RE: Issue of \$180,000 Greenville County, South Carolina
Industrial Revenue Bond
(Hart-Greenville Partnership Project)
Issue Date Projected By Issuing Authority: December 17, 1986
Allocation Expiration Date: December 31, 1986
Issue Amount Certificate Date: December 16, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

04740

HAYNSWORTH, MARION, MCKAY & GUÉRARD
ATTORNEYS AT LAW

W. Francis Marion
Julius W. McKay
Robt. S. Galloway, Jr.
Fred D. Cox, Jr.
O.G. Calhoun, Jr.
Theodore B. Guérard
Donald L. Ferguson
G. Dewey Orner, Jr.
William M. Grant, Jr.
Jesse C. Belcher, Jr.
Maye R. Johnson, Jr.
W.E. Applegate, III
C. Lewis Rasor, Jr.
Charles E. McDonald, Jr.
William E. Shaughnessy
James B. Pressly, Jr.
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W. Francis Marion, Jr.
John B. McLeod
Bryan Francis Hickey
Samuel W. Howell, IV
Frances D. Ellison
Robert W. Hassold, Jr.

Two Shelter Centre
Eleventh Floor
Post Office Box 2048
Greenville, South Carolina 29602
(803) 240-3200

Sixth Floor, South Carolina National Bank Building
Post Office Drawer 7157
Columbia, South Carolina 29202
(803) 765-1818

Two Proleau Street
Post Office Box 1119
Charleston, South Carolina 29402
(803) 722-7606

John H. Muench
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Anne G. H. Rounds

H. J. Haynsworth
1859-1941

C. F. Haynsworth
1886-1953

J. M. Perry
1894-1964

Eugene Bryant
1902-1969

OF COUNSEL
Thomas K. Johnstone, Jr.
Andrew B. Marion
Harry R. Stephenson, Jr.
William J. Quirk, (P.A.)

Direct Dial Number: (803) 240-3274

December 16, 1986

FEDERAL EXPRESS

Ms. Donna Williams
State Budget and Control Board
Wade Hampton Office Building
Columbia, South Carolina 29211

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

Re: \$180,000 Greenville County, South Carolina Industrial Revenue
Bond, Series 1986B (Hart-Greenville Partnership Project)

Dear Donna:

Enclosed is a copy of the Form 8038 in connection with the above bond issue. I would appreciate your returning the final allocation certificate to me by Federal Express.

Very truly yours,

HAYNSWORTH, MARION, MCKAY & GUERARD

Joe Blake

Joseph J. Blake, Jr.

JJB, JR:bb

Enclosure

04741

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
GREENVILLE, SOUTH CAROLINA

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 16, 1986

Allen Dedwyler

Sworn to and subscribed before me

this 17th day of November 19 86

Matilda M. Shipman

Notary Public for State of S. C.

Total Due \$

EXHIBIT

NO. 18

NOV 5 1986

NOV

STATE BUDGET & CONTROL BOARD

GNP-81016-R-12/77

04742

STATE OF SOUTH CAROLINA, COUNTY OF GREENVILLE

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

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

The financing of a portion of the costs of completing the construction of a light manufacturing, warehousing and distribution facility (including offices) by Hart-Greenville Partnership (the "Industry") to be leased to Hyde and Malone, Inc. for use in its warehousing and distribution operations (the "Project") through the issuance of a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project) (the "Bond") in the principal amount of One Hundred Eighty Thousand (\$180,000.00) Dollars pursuant to Title 4, Chapter 29, 1976 Code of Laws of South Carolina, as amended. The Bond will be additionally secured by a note executed by the Industry to the County. Neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.

Notice is hereby given that any interested party may at any time within twenty (20) days of the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertakings of Greenville County by filing a petition in the Court of Common Pleas for Greenville County, 17431.

Part V Description of Property Financed by Non-refunding Proceeds
(Do not complete for student loan bonds or mortgage bonds)

22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)		
a	3-yr. ACRS property	
b	5-yr. ACRS property	
c	10-yr. ACRS property	
d	15-yr. ACRS property	
e	18-yr. ACRS property	176,400.00
f	Cost of land	-0-
g	Cost of other property (see instructions)	
23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)		
24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project		
	SIC Code	Non-refunding proceeds \$
a	6511 & 5098	180,000.00
b		
c		
25 Average weighted economic life of the project (complete only for IDBs)		30 years

Part VI Description of Initial Principal Users
(Do not complete for student loan bonds or mortgage bonds)

26 Initial Principal Users			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	Hart-Greenville Partnership	900 Jaymor Drive Southampton, PA 18966	23-2397445
(ii)	Malone & Hyde, Inc.	3030 Poplar Memphis, TN 38111	62-0279520
(iii)			
(iv)			
(v)			
27 Common parents (if any) of initial principal users listed above:			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

Part VII Approval of Issue (Complete only for IDBs)

28 Name of Governmental units approving issue	Greenville County Council
29 Names and positions of applicable elected representatives or date of referenda approving issue	SEE EXHIBIT B

Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds

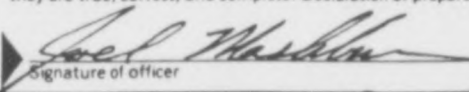
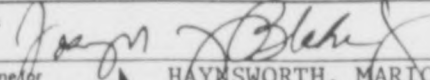
1 Issuer's volume limitation	
2 Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
3 Amount of bonds previously issued	
4 Unused volume limitation (subtract lines 2 and 3 from line 1)	
Please Sign Here Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
Signature of officer 	Date 12/15/86
Administrator	
Preparer's signature 	Check if self-employed <input type="checkbox"/>
Firm's name (or yours, if self-employed) and address HAYNSWORTH, MARTON, MCKAY & GUERARD 21 Shelter Centre, PO Box 2048, Greenville, SC 29602	E.I. No. ZIP code 29602

EXHIBIT A

Interest only shall be due and payable, in arrears, beginning November 15, 1986 and continuing on the fifteenth day of each month thereafter until the fifteenth day of the first month following the commencement of the original term of that certain lease between Hart-Greenville Partnership and Malone & Hyde, Inc. (as hereinafter described) or March 1, 1987, which first occurs; thereafter, principal and interest (calculated at the rate set forth above) shall be repaid in consecutive monthly installments (approximately 119 installments) of \$1,442.68 each beginning on the fifteenth day of the first month following the interest only period set forth above and continuing on the fifteenth day of each month thereafter up to and including February 15, 1997. On February 15, 1997, a final installment shall also be made in an amount necessary to pay in full the principal due on this Bond together with all accrued interest thereon.

04745

EXHIBIT B

That the following constitute the members of the County Council of Greenville County, South Carolina, and the expiration of the terms of said members are as follows:

<u>Name</u>	<u>Date of Qualification</u>	<u>Expiration of Term</u>
W. Mann Batson	January 1, 1983	December 31, 1986
Paul Greer, Chairman	January 1, 1985	December 31, 1988
Sally Crumley	January 1, 1983	December 31, 1986
Richard Herdklotz	January 1, 1985	December 31, 1988
Robert W. Leach	January 1, 1985	December 31, 1988
Paul B. Wickensimer	January 1, 1985	December 31, 1988
Ennis M. Fant, Vice Chairman	November 11, 1984	December 31, 1986
Gale B. Crawford	January 1, 1985	December 31, 1988
The Rev. E. D. Dixon	January 1, 1985	December 31, 1988
James B. Arrowood	January 1, 1983	December 31, 1986
George Bomar	January 1, 1985	December 31, 1988
W. B. Bennett	January 1, 1983	December 31, 1986

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

04746

Received
12/16/86
10:13 AM

HAYNSWORTH, MARION, MCKAY & GUÉRARD
ATTORNEYS AT LAW

W. Francis Marion
Julius W. McKay
Robt. S. Galloway, Jr.
Fred D. Cox, Jr.
O. G. Calhoun, Jr.
Theodore B. Guérard
Donald L. Ferguson
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C. Lewis Risor, Jr.
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William E. Shaughnessy
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James H. Ritchie, Jr.
Anne G. H. Rounds

H. J. Haynsworth
1859-1941

C. F. Haynsworth
1886-1953

J. M. Perry
1894-1964

Eugene Bryant
1902-1969

OF COUNSEL
Thomas K. Johnstone, Jr.
Andrew B. Marion
Harry R. Stephenson, Jr.
William J. Quirk, (PA.)

Direct Dial Number: (803) 240- 3274

December 15, 1986

FEDERAL EXPRESS

Ms. Donna Williams
State Budget and Control Board
Wade Hampton Office Building
Columbia, South Carolina 29211

Re: \$180,000 Greenville County, South Carolina Industrial
Revenue Bond, Series 1986B (Hart-Greenville Partnership Project)

Dear Donna:

Enclosed is a certified copy of the Notice of State Budget and Control Board approval which was published in the Greenville News on November 16, 1986. Please send the final allocation certificate by Federal Express. An envelope is enclosed for your convenience.

Very truly yours,

HAYNSWORTH, MARION, MCKAY & GUERARD

Joe Blake
Joseph J. Blake, Jr.

JJB,JR:bb

Enclosures

04747

EXHIBIT

NOV 5 1986

NO. 18

State of South Carolina

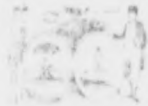
State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Greenville County
\$180,000
Industrial Revenue Bond
(Hart-Greenville Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04748

EXHIBIT

NOV 5 1986 NO. 18

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

STATE BUDGET & CONTROL BOARD
PETITION TO THE STATE BUDGET AND
CONTROL BOARD OF SOUTH CAROLINA

The Petition of the County Council of Greenville County (the "Governing Board") respectfully shows:

1. The Governing Board is the governing body of Greenville County (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 the Governing Board, if it shall comply with the provisions set forth in the Act, to provide financing for the cost of the construction of a light manufacturing, distribution and warehousing facility to be owned by Hart-Greenville Partnership, a South Carolina general partnership, (the "Industry") to be initially leased to Malone and Hyde, Inc., a Tennessee corporation (the "Lessee") for use by it in its distribution and warehousing operations (the "Project"). On April 10, 1986, the State Budget and Control Board approved the issuance of a \$3,500,000 Greenville County Industrial Revenue Bond, 1986 (the "Bond") for this project. It now appears that an additional \$180,000 will be needed to complete the Project.

3. The Governing Board has agreed with the Industry that the Governing Board will undertake to finance the additional costs involved in completing the Project located in Greenville County through the issuance of a Greenville County Industrial Revenue Bond.

4. The Governing Board is advised by the Industry that the cost to

complete construction of the Project will be One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars. The Governing Board is also informed that it will be necessary that the Governing Board issue a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project) (the "Series 1986B Bond") in a principal amount of One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars. A financial institution, The South Carolina National Bank, (the "Lender") has agreed to purchase the Bond (subject to certain conditions).

5. For the reasons set forth and hereinafter disclosed, the Governing Board has found:

(a) The proposed Project will serve the purposes of the Act;

(b) The Project will benefit the general public welfare by providing employment opportunities during construction. Based on present experience and representations of the Industry and the Lessee, upon completion additional job opportunities for approximately seventy-five (75) persons will be made available and there is presently a need for such warehousing and distribution space not otherwise available locally;

(c) By reason of undertaking the Project no pecuniary liability shall result to the County nor will there be a charge against its general credit or taxing powers;

(d) The Industry will be unconditionally obligated to repay the loan in the principal sum of One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars;

(e) The Industry has established credit and therefore it is unnecessary to establish reserve funds for the amount of principal and interest;

and

(f) The Industry will be required to maintain the Project in good repair and to carry proper insurance to pay all costs with respect thereto and to complete the Project if the proceeds of the Bond prove insufficient.

6. Pursuant to the Act the Governing Board sets forth the following information:

(a) The Project consists of the construction of a light manufacturing, distribution and warehousing facility (including offices) to be owned by Hart-Greenville Partnership and to be leased initially to Malone and Hyde, Inc. for use in its distribution and warehousing operations.

(b) The cost of completing construction of the Project will be One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars, including the costs and all expenses to be incurred in connection therewith.

(c) The Project will result in significant capital investment in the County and will provide additional employment opportunities through the operation of the Project by the Lessee for approximately seventy-five (75) persons.

7. The proposed Bond Ordinance and Loan Agreement will provide, among other things, the following:

(a) To finance a portion of the cost of completing the Project, the County will issue a Greenville County Industrial Revenue Bond, Series 1986B (Hart-Greenville Partnership Project). The Bond will be secured by a pledge of the revenues which the County shall have a right to receive pursuant to an amendment to the Loan Agreement. In addition, the Industry will execute a new Note (the "Series 1986B Note") to the County promising to pay that amount due under the Series 1986B Bond of the County, and the Series 1986B Bond will be

secured by the Series 1986B Note. The Lender will use each payment by the Industry under the Series 1986B Note to make a like payment of interest or of interest and principal on the Series 1986B Bond.

(b) The Amendment to the Loan Agreement and the other documents involved in this financing will not contain any provision imposing any pecuniary liability upon the County or creating a charge against its general credit or taxing power.

8. The rights of the County under the Amendment to the Loan Agreement will be assigned to the Lender by a Pledge and Assignment by the County and the Industry.

9. The proposed Series 1986B Industrial Revenue Bond will be in conventional form and will constitute a binding obligation on the part of the County.

10. The proposed Series 1986B Note will be in conventional form and will constitute a binding obligation on the part of the Industry.

11. The proposed amendment to the Mortgage will be in conventional form and will constitute a binding obligation on the part of the Industry.

12. The proposed Amendment to the Loan Agreement, the Bond Ordinance, the Series 1986B Note, and the Series 1986B Bond will be in substantially the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act.

13. The Industry shall provide the State Budget and Control Board with an Information Return for Private Activity Bond Issues, Department of Treasury, Internal Revenue Service form 8038 prior to the delivery of the Bond and shall otherwise comply with the requirements of the Budget and Control Board or

EXHIBIT

other appropriate state agency with respect to the requirements of the Tax Reform Act of 1984, if any, applicable to the Series 1986B Bond.

14. The Governing Board hereby requests that a portion of the state volume cap applicable to private activity bonds as set forth in the Tax Reform Act of 1984 be allocated to this industrial revenue bond issue and that the State Budget and Control Board execute the no consideration certificate required by the Internal Revenue Service in connection with such allocation.

15. The Governing Board hereby certifies under penalty of perjury that the request for this allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the Governing Board respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it, as soon as practical, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purposes of the Act and that it is reasonably anticipated to effect such result; and on the basis of such finding, that it approve the issuance of the Series 1986B Bond to complete the construction of the Project, including changes in any details of said financing as finally consummated, which should not materially affect the said undertakings, and give published notice of its approval in the manner set forth in the Act.

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

Respectfully Submitted,

GREENVILLE COUNTY, SOUTH CAROLINA

Paul Greer
Chairman, Greenville County Council

Paul R. Washburn
County Administrator

ATTEST:

Mary J. Turner
Clerk of County Council
Greenville County, South Carolina

EXHIBIT

NOV 5 1986 NO. 1 8

A RESOLUTION

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO UNDERTAKING A PROPOSED PROJECT TO BE FINANCED THROUGH THE ISSUANCE OF AN INDUSTRIAL REVENUE BOND BY THE COUNTY COUNCIL OF GREENVILLE COUNTY AND AUTHORIZING THE FILING OF THE PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

BE IT RESOLVED by Council, in meeting duly assembled that the County Council of Greenville County (the "County Board") hereby determines and finds as follows:

1. On May 15, 1986 Greenville County (the "County") issued a \$3,500,000 Greenville County Industrial Revenue Bond, 1986 (Hart-Greenville Partnership Project) (the "1986 Bond") to finance the construction of a light manufacturing, distribution and warehousing facility (including offices) to be owned by Hart-Greenville Partnership, a South Carolina general partnership (the "Industry").

The Industry has advised the County Board that it will require an additional \$180,000 to complete the Project and desires assistance which the County might render through the sale of a bond pursuant to the Industrial Revenue Bond Act as codified in Section 4-29-10, et. seq. of the Code of Laws of the State of South Carolina (the "Act").

The County Board has agreed to so finance the construction of this Project and adopts this Resolution to evidence its approval of the issuance of a bond, as that term is defined in the Act, to complete the Project and to authorize the Petition to the State Budget and Control Board of South Carolina (the "State Board") setting forth the facts required by the Act (the "Series 1986B Bond").

2. The County Board has determined that the Project will subserve the purposes of the Act, that the Project is anticipated to benefit the general public welfare by providing employment opportunities in the construction of the project and when completed employment opportunities will be made available for approximately seventy-five (75) additional persons. There is presently a need for such warehousing and distribution space not otherwise available locally. Neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.
3. The amount necessary to finance the completion of the construction of the Project through the issuance of an Industrial

Revenue Bond will not exceed One Hundred Eighty Thousand and No/100ths (\$180,000.00) Dollars.

4. The Industry has agreed to submit to the County Board a proposed Amendment to the Loan Agreement issued in connection with the Series 1986B Bond and a new Note (the "Series 1986B Note") under which terms the Industry will agree to pay the amount necessary to provide the payments of principal and interest on the Series 1986B Bond. In addition, the Industry has agreed in the Loan Agreement to maintain the Project and to carry proper insurance with respect thereto.
5. In view of the well established credit of the Industry and its successful arrangements to effect a sale of the Series 1986B Bond, no reserve funds will be established.
6. The payment of the Series 1986B Bond will be secured by pledge of the payments due under the Loan Agreement, as amended, and the Series 1986B Note.
7. The Series 1986B Bond will be issued as a tax exempt bond pursuant to the provisions of Section 103(b) of the Internal Revenue Code of 1954, as amended. In connection therewith, the County hereby requests that a portion of the state volume limitation applicable with respect to industrial development bonds (and non-essential function bonds as defined in pending Act H.R. 3838, including the Joint Conference Report in connection therewith) be allocated to this industrial revenue bond issue.
8. In connection with the County Board's request for an allocation of a portion of the State Volume Cap for Private Activity Bonds, the County Board hereby certifies under penalty or perjury that the request for such allocation has not been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF GREENVILLE COUNTY, IN MEETING DULY ASSEMBLED:

That the County Board finds that the facts set forth above and in the Petition attached hereto are in all respects true and correct, and based on these findings, the County Board hereby approves the undertaking of the Project and the issuance of the Series 1986B Bond of Greenville County as aforesaid.

BE IT FURTHER RESOLVED:

That the Petition in form substantially as attached hereto be presented to the State Board in accordance with Section 4-29-140 of the Code of Laws of South Carolina, 1976, as amended; and that the County Administrator and the Chairman of the County Council of Greenville County, whose signatures are attested to

by the Clerk of County Council, are authorized to execute this
Petition and to take all other action necessary or incidental to
the execution and filing of the Petition.

GREENVILLE COUNTY, SOUTH CAROLINA

Paul Greer
Chairman, Greenville County Council

Paul R. Whitham
County Administrator

ATTEST:

Mary L. Surrency
Clerk of County Council
Greenville County, South Carolina

Dated: 10/21/86

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986 NO. 18

A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA, and HART-GREENVILLE PARTNERSHIP, RELATING TO THE ISSUANCE AND DELIVERY BY GREENVILLE COUNTY, SOUTH CAROLINA, OF INDUSTRIAL REVENUE BONDS OR NOTES PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, HART-GREENVILLE PARTNERSHIP (the "Company"), a general partnership organized and existing under the laws of the State of South Carolina has requested Greenville County Council ("County Council") to exercise the powers vested in it by Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") and make provision for the issuance and delivery of Greenville County, South Carolina, Industrial Revenue Bonds or Notes in one or more series (Hart-Greenville Project) the proceeds of which would be made available to the Company and/or its nominees for the payment of the costs and expenses incurred for the acquisition, construction and installation of land, buildings, fixtures, and equipment (the "Project") to constitute a warehouse facility in Greenville County, South Carolina (the "County"); and

WHEREAS, County Council is informed by the Company that the Project is expected to result initially in employment of approximately 75 persons; and

WHEREAS, after due consideration, County Council has determined that the Project will subserve the purposes of the Act and that it should grant assistance, and to that end has agreed to enter into a contract with the Company making provision for the issuance and delivery of bonds or notes pursuant to the Act; and

WHEREAS, it is intended that this Resolution will constitute official action toward the issuance of the aforesaid bonds or notes as contemplated by the Regulations under Section 103(b)(6) of the Internal Revenue Code of 1954 as amended;

NOW, THEREFORE, BE IT RESOLVED by Greenville County Council in meeting duly assembled:

1. That the County shall issue its Greenville County, South Carolina, Industrial Revenue Bonds or Notes (Hart-Greenville Project) in one or more series in an amount not exceeding Five Million Dollars (\$5,000,000.00) to finance the cost of the proposed undertaking of the Company.

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2. That an agreement to implement the action to be taken pursuant to Paragraph 1 above in substantially the form presented to this meeting and attached hereto (but with such changes, if any, as the officers herein authorized to execute the same shall approve, their approval to be evidenced by the execution thereof) shall be executed on behalf of the County by the County Administrator of Greenville County and the same shall be duly attested by the Clerk of County Council.

3. County Council and its duly elected officers, shall take any and all further action as may become necessary to effectuate the action herewith taken and the agreement herein authorized.

4. This Resolution shall take effect immediately.

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

I, the undersigned, Clerk of Greenville County Council
DOES HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a resolution adopted by Greenville County Council at a duly called and regularly held meeting on December 17,
1985, at which all/a majority of the members of said County Council were present, and voted unanimously in favor of the adoption of said Resolution.

The original of said resolution is duly entered in the permanent records of minutes of meetings of County Council.

IN WITNESS WHEREOF, I have hereunto set my Hand this
20th day of December, 1985.

Mary J. Turner
Clerk, Greenville County Council

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

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EXHIBIT

NOV 5 1986 NO. 18

INDUCEMENT CONTRACT

STATE BUDGET & CONTROL BOARD

THIS CONTRACT made and entered into by GREENVILLE COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina, and HART-GREENVILLE PARTNERSHIP and/or its nominees (the "Company"), a partnership organized and existing under the laws of the State of South Carolina.

WITNESSETH:

ARTICLE I

RECITATION OF FACTS

Section 1.01

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Contract, the following statements of fact are herewith recited:

1. The County is a body politic and corporate and a political subdivision of the State of South Carolina and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") to acquire, enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

2. The Company proposes to acquire land and construct and install buildings, fixtures, and equipment (the "Project") to constitute a warehouse facility. The cost of this undertaking, including costs of issuing the bonds or notes, is estimated to be Five Million Dollars (\$5,000,000.00). The Project is expected to result in the employment of approximately 75 persons.

3. The Company has advised the County that its contemplated program would be aided by the availability of the assistance which the County might render through the sale of

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Greenville County, South Carolina, Industrial Revenue Bonds or Notes pursuant to the Act whereby the County would finance the acquisition, construction and installation of the Project.

4. The County has given due consideration to all of the proposals and requests of the Company and has agreed to endeavor to effect the issuance and delivery pursuant to the Act of the bonds or notes at the time or times and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

Section 2.01

That it will authorize the issuance of Greenville County, South Carolina, Industrial Revenue Bonds or Notes (the "Note") in one or more series, in the aggregate sum of Five Million (\$5,000,000.00) Dollars, at such time or times as the Company may request the County to do so.

Section 2.02

That it will enter into a financing agreement or agreements (the "Agreement") with the Company upon such terms and conditions as shall be mutually agreed upon between the County and the Company pursuant to which the proceeds of the Note will be made available to the Company to be applied to the cost of acquiring, constructing and installing the Project and to the expenses incident thereto including the costs of the financing.

Section 2.03

That it will permit the Company to arrange for the sale of the Note and if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the making of the Agreement and the issuance and delivery of the Note.

Section 2.04

That if the Note shall be sold, the Agreement will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in connection with the issuance and delivery of the Note and the acquisition, construction and installation of the Project including the repayment of any funds advanced or loans incurred by the Company or any related entity for such purposes.

Section 2.05

That if requested by the Company prior to the issuance and delivery of the Note, it will enter into one or more trust indentures (the "Indenture") with a trustee bank or banks to be selected by the Company pursuant to which the Note will be issued. The Indenture, if entered into, will be substantially in the form used in connection with the issuance of South Carolina Industrial Revenue Bonds or Notes and may constitute a lien on the Project to secure the payment of the Note.

Section 2.06

That it will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

The Company agrees as follows:

Section 3.01

That the County will have no obligation to find a purchaser of the Note, and the Company will endeavor to market the Note on behalf of the County, on terms satisfactory to the Company, to the extent required to finance the cost of issuing and delivering the Note and the cost of the acquisition, construction and installation of the Project.

Section 3.02

If the plan proceeds as contemplated, the Company further agrees as follows:

(a) to enter into the Agreement with the County, under the terms of which it will obligate itself to pay to the County sums sufficient to pay the principal of, prepayment penalty or premium, if any, and interest on the Note, as and when the same become due and payable, the Agreement to be in form and to contain such provisions as shall be satisfactory to the County and to the Company;

(b) to obligate itself to make the additional payments required by the Act including, but not limited to, payments in lieu of taxes;

(c) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Contract and in the implementation of its terms and provisions; and

(d) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01

All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Contract shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Section 4.02

The parties agree that the Company may proceed with the acquisition, construction and installation of the Project prior to the issuance and delivery of the Note.

Section 4.03

All commitments of the County and the Company hereunder are subject to the condition that the County and the Company do agree on mutually acceptable terms and conditions of all documents whose execution and delivery are contemplated by the provisions hereof.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Contract on the respective dates indicated below.

GREENVILLE COUNTY, SOUTH CAROLINA

By *Paul L. Markham*
County Administrator

Attest:

By *Mary L. Jensen*
Clerk
Greenville County Council

Paul Green
Chairman

Dated: *December 17, 1985*

HART-GREENVILLE PARTNERSHIP

B. Kenin Hart by Dennis D. When,
By *attorney-in-fact for B. Kenin Hart*
Its Partner

Dated: *December 31, 1985*

EXHIBIT

NOV 5 1986 NO. 18

STATE BUDGET & CONTROL BOARD

04765

TRANSMITTAL FORM, REVENUE BONDS

Date: 10/27/86
Submitted for BCB Meeting on:
November 5, 1986

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

Haynsworth, Perry, Bryant, Marion & Johnstone 409 E. North St., PO Box 2048

Name of Law Firm

Greenville, SC 29602

City, State, Zip Code**Street Address/Box Number**

(803) 271-7970

Telephone Area Code and Number

RE: \$180,000

Amount of Issue

Greenville County, S.C.

Issuing Authority Name

Industrial Revenue Bond

Type of Bonds or Notes

December 2, 1986

Projected Issue Date

Project Name: \$180,000 Greenville County, South Carolina Industrial Revenue Bond,
Series 1986B (Hart-Greenville Partnership Project)

Project Description:

to finance completing the construction of a light manufacturing, distribution
and warehousing facility (including offices)

Employment as result of project: completion bond - approximately 75 people

CEILING ALLOCATION REQUIRED

x Yes (\$180,000) No
Amount

REFUNDING INVOLVED

 Yes (\$) No
Amount

PROJECT APPROVED PREVIOUSLY

x Yes (April 8, 1986) No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. x Petition (executed original and two copies)
B. x Resolution or ordinance (executed copy)
C. x Inducement Resolution or comparable preliminary approval (executed copy)
D. x Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: The South Carolina National Bank)

OR Audited financial statements for three most recent years

- E. Department of Health and Environmental Control certificate IF REQUIRED
F. x Budget and Control Board Resolution and Public Notice (original)
[Plus 4 copies for certification and return to counsel]

- G. x Processing fee

Amount \$ 2,000

Check No. 00850

Payor Haynsworth, Perry, Bryant, Marion & Johnstone

Bond Counsel: Haynsworth, Perry, Bryant, Marion & Johnstone

Typed Name

By:

Joseph J. Blake, Jr.

Signature

EXHIBIT

NOV 5 1986

NO. 18

04766

STATE BUDGET & CONTROL BOARD

TRANSMITTAL FORM, REVENUE BONDS

Date: 10/27/86
Submitted for BCB Meeting on:
November 5, 1986

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

Haynsworth, Perry, Bryant, Marion & Johnstone 409 E. North St., PO Box 2048
Name of Law Firm Street Address/Box Number
Greenville, SC 29602 (803) 271-7970
City, State, Zip Code Telephone Area Code and Number

RE: \$180,000

Amount of Issue
Greenville County, S.C.
Issuing Authority Name

Industrial Revenue Bond
Type of Bonds or Notes
December 2, 1986
Projected Issue Date

Project Name: \$180,000 Greenville County, South Carolina Industrial Revenue Bond,
Series 1986B (Hart-Greenville Partnership Project)

Project Description:

to finance completing the construction of a light manufacturing, distribution
and warehousing facility (including offices)

Employment as result of project: completion bond - approximately 75 people

CEILING ALLOCATION REQUIRED

☒ Yes (\$180,000) No
Amount

REFUNDING INVOLVED

☐ Yes (\$) No
Amount

PROJECT APPROVED PREVIOUSLY

☒ Yes (April 8, 1986) No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition (executed original and two copies)
B. ☒ Resolution or ordinance (executed copy)
C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
D. ☒ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: The South Carolina National Bank)

OR ☐ Audited financial statements for three most recent years

- E. ☐ Department of Health and Environmental Control certificate IF REQUIRED
F. ☒ Budget and Control Board Resolution and Public Notice (original)
[Plus 4 copies for certification and return to counsel]

- G. ☒ Processing fee

Amount \$ 2,000 Check No. 00850
Payor Haynsworth, Perry, Bryant, Marion & Johnstone

Bond Counsel: Haynsworth, Perry, Bryant, Marion & Johnstone

Typed Name

By:

Joseph J. Blake, Jr.

Signature

EXHIBIT

NOV 5 1986 NO. 18

04767

STATE BUDGET & CONTROL BOARD

INDUSTRIAL REVENUE BOND PROJECT

RECEIVED
S. C. ATTORNEY GENERAL
11-3-86

Hart-Greenville Partnership Project

EXHIBIT

NO. 18

NOV 5 1986

STATE BUDGET & CONTROL BOARD

GOVERNING BOARD

County Council of Greenville County

BOND COUNSEL

Haynsworth, Perry, Bryant, Marion & Johnstone
Greenville, SC 29602

FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

☒ (1) The project will subserve the purposes of Chapter 28, Title 4;

☒ (2) The project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;

☒ (3) The project will give rise to no pecuniary liability of county or incorporated municipality or a charge against its general credit or taxing power;

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\$ 180,000.00 (4) The amount of bonds required to finance the project;

✓ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

~~Unnecessary~~ (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

✓ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

✓ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

✓ obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

obligating the industry to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations theretofore made, will be sufficient:

- ✓ (a) to pay the principal of and interest on the bonds issued to finance the project;
- ✓ (b) to build up and maintain any reserves deemed by the governing board to be advisable in connection therewith, and
- ✓ (c) unless the financing agreement obligates the industry to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

_____ Every financing agreement in the form of a lease shall contain a provision requiring the industry to make payments to the county or counties, municipality or municipalities, school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county or counties, municipality or municipalities, school district or school districts, and other political unit

or units, if the project were owned by the industry, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the industry if it were the owner of the project.

REFUNDING BONDS (§ 4-29-110)

_____ may not exceed an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest thereon and any premiums, expenses, and commissions necessary to be paid in connection therewith.

PETITION (§ 4-29-140)

Must set forth

✓ _____ (a)(1) a brief description of the project proposed to be undertaken, and

✓ _____ (a)(2) its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto;

✓ _____ (b) a reasonable estimate of the cost of the project;

✓ _____ (c)(1) a general summary of the terms and conditions of the financing agreement and security agreement to be made,

✓ _____ (c)(2) a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60.

Section 3.02
Found in Inducement Contract, (b) on
page 3.

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FINDINGS BY BUDGET AND CONTROL BOARD

✓ the project is intended to promote the
purposes of Chapter 29, Title 4, (Public Purpose)

✓ the project is reasonably anticipated to
effect such results.

QUESTIONS CONSIDERED

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NOV - 6 1986

The State of South Carolina



Office of the Attorney General

EXHIBIT

NOV 5 1986

NO. 19

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803.734.3680

November 5, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: Not Exceeding \$30,000,000 Charleston County,
South Carolina, Hospital Facilities
Revenue Parity Bonds (Roper Hospital Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the
Petition and other documents submitted to the State Budget and
Control Board for its approval pursuant to Sections 44-7-1590, et
seq., Code of Laws of South Carolina, 1976, as amended, and the
same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/dac

Enclosures

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State of South Carolina

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333
COLUMBIA
29211
(803) 758 8406

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

November 21, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Hospital Facilities Revenue Parity Bond Issue
Charleston County
Not to Exceed \$30,000,000
(Roper Hospital)

1. We reviewed audited financial statements of Roper Hospital for the fiscal years ended September 30, 1985, 1984 and 1983. The statements for each of the years were examined by Coopers & Lybrand, Columbia, South Carolina. All years received unqualified opinions from the independent auditors.
2. The proposed bond issue is to provide funds for construction of a new wing containing patient beds and ancillary facilities and for renovations and additions to existing facilities. We have therefore also reviewed the October 30, 1986, preliminary draft of a financial feasibility study prepared by Coopers & Lybrand, Columbia, South Carolina, for the purpose of determining the Hospital's ability to meet debt service requirements (including those associated with the proposed \$24,840,000 Series 1986 issue), anticipated operating expenses, and working capital and other financial requirements during the four years ending September 30, 1990.
3. Coopers & Lybrand concluded in their preliminary draft financial analysis that:

"In our opinion, the accompanying financial forecast is presented in conformity with guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants.

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RICHARD W. RILEY, CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER

STATE BUDGET & CONTROL BOARD
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL
REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

TOM C. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE
WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

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Mr. William A. McInnis

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"In our opinion, the underlying assumptions provide a reasonable basis for management's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

"The accompanying financial forecast indicates that sufficient funds could be generated to meet the Hospital's operating expenses, working capital needs, and other financial requirements, including the debt service requirements associated with the proposed \$24,840,000 bond issue, during the forecast periods. However, the achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured."

4. Some key assumptions utilized in the feasibility study are as follows:

- A. The projections are preliminary in nature and are based upon assumptions that were provided by or reviewed with and approved by Hospital management as to the future utilization; results from operations; construction and equipment costs; debt service requirements and estimated financing costs; staffing patterns and other operating considerations; third-party reimbursement policy and history; and revenue, expenses, and volume relationships.
- B. Revenue from services to patients is projected to increase sufficiently from 1987 through 1990 to provide excess of revenue over expenses sufficient to cover the increased costs of operations and debt service and to preserve the financial position of the institution.

Forecasted inpatient service revenue for 1987 through 1990 is based on average price increases of 12.5% and assumed increases in the intensity of ancillary services provided per patient day. The forecasted annual increase is meant to represent the increase in all unit charges of the Hospital. However, the Hospital may increase specific charges at a greater or lesser rate than the average.

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Outpatient revenues are forecasted to increase to 14.2% of total patient revenues in 1990 based on historic increases in outpatient revenues and the expectation that third party payors will continue to encourage outpatient treatment.

Certain actual and projected patient service revenue statistics are presented below:

	<u>Actual</u> <u>1985</u>	<u>Unaudited</u> <u>1986</u>	<u>Forecasted</u> <u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Average inpatient service revenue per patient day (Routine and ancillary)	\$477	\$536	\$603	\$678	\$763	\$858
Percent change from prior year	8.9%	12.4%	12.5%	12.5%	12.5%	12.5%
Outpatient service revenue as % of gross charges	11.2%	12.2%	12.7%	13.2%	13.7%	14.2%

C. The actual and forecasted utilization statistics for inpatient services are:

	<u>Actual</u> <u>1985</u>	<u>Unaudited</u> <u>1986</u>	<u>Forecasted</u> <u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Licensed Beds	421	421	421	421	421	421
Discharges	14,263	14,024	14,100	14,100	14,000	14,000
Patient Days	106,977	106,869	107,200	107,200	107,200	107,200
Average Daily Census	293	293	294	294	294	294
Average Occupancy	69.6%	69.5%	69.7%	69.7%	69.7%	69.7%

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STATE BUDGET & CONTROL BOARD

- D. The following represents actual and projected income and debt service coverage data:

	(Dollars in Thousands)					
	Actual 1985	Unaudited 1986	Forecasted			
			1987	1988	1989	1990
Income from operations	\$5,998	\$3,193	\$1,611	\$1,234	\$ 406	\$ 714
Non-operating revenue	1,573	4,065	3,239	2,966	2,495	2,438
Excess of revenue over expenses	7,571	7,258	4,850	4,200	2,901	3,152
Interest expense	-	-	2,319	2,338	3,573	3,845
Depreciation and amortization expenses			3,048	3,471	4,406	5,242
Excess of revenue over expenses before interest, depreciation and amortization			<u>\$10,217</u>	<u>\$10,009</u>	<u>\$10,880</u>	<u>\$12,239</u>
Debt service requirements:						
Series 1985 Bonds					\$ 2,410	\$ 2,411
Series 1986 Bonds					<u>1,859</u>	<u>2,160</u>
Total debt service requirements					<u>\$ 4,269</u>	<u>\$ 4,571</u>
Number of times total debt service requirements is covered by excess of revenue over expenses before interest, depreciation and amortization					2.55X	2.68X

- F. The financial feasibility study includes a sensitivity analysis of the forecast to a change in a critical variable, patient discharges. The following table contrasts certain effects on the forecasts if it were assumed that discharges decrease to 13,350 in 1987 (substantially the lowest level achieved since 1983) and remain constant rather than increase as forecasted to 14,100 by 1987. The assumptions regarding average revenue per discharge and operating expenses related to patient volumes for the sensitivity analysis were the same as those for the forecasted financial statements.

	Forecasted	
	1989	1990
Excess of revenue over expenses before interest, depreciation and amortization		
Forecasted (Discharges = 14,100)	\$10,880	\$12,239
Lower (Discharges = 13,350)	\$10,039	\$11,227
Number of times total debt service requirements is covered by excess of revenue over expenses before interest, depreciation and amortization		
Forecasted (Discharges = 14,100)	2.55X	2.68X
Lower (Discharges = 13,350)	2.35X	2.46X

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- F. During fiscal year 1986, 31% of the Hospital's admissions were participants in the Medicare program and accounted for approximately 44% of inpatient revenues. Medicare reimburses on a formula - based method which results in revenues which are often less than the actual patient charges. The forecast assumes a relative increase of 2.5% per year for Medicare admissions to the 1986 base.

Provisions for uncollectible accounts are based on the historical and budgeted relationships of such deductions to patient service revenue and are forecast in each year of the forecast period at 5.0%. According to unaudited records for 1986, uncollectible accounts represented 4.3% of patient revenues.

Total deductions from revenue are forecast as follows:

(Dollars in Thousands)

	Unaudited 1986	Forecasted			
		1987	1988	1989	1990
Contractual					
Adjustments	\$6,675	\$10,353	\$15,353	\$19,807	\$25,009
Uncollectible					
Accounts	<u>2,804</u>	<u>3,692</u>	<u>4,182</u>	<u>4,742</u>	<u>5,375</u>
Total	<u>\$9,479</u>	<u>\$14,045</u>	<u>\$19,535</u>	<u>\$24,549</u>	<u>\$30,384</u>

- G. The proposed bonds in the amount of \$24,840,000 are assumed to be dated December 1, 1986 and delivered in early December, 1986, with an average annual interest rate of 7.648 percent. The Series 1986 Bonds will be issued on a parity basis with the outstanding Series 1985 Bonds. The bonds will mature over 30 years with principal payments in the last 28 years. Principal payments are assumed to begin October 1, 1989. Interest expense on the bonds during the construction period is funded from the bond proceeds through November 30, 1988.
5. In connection with our review of the financial analysis prepared by Coopers & Lybrand, we also obtained and reviewed the Hospital's unaudited financial statements for the current fiscal year through August 12, 1986.
6. Our review of the feasibility study produced no indications that would cause us to dispute any of the assumptions, estimates, or forecast information contained therein.

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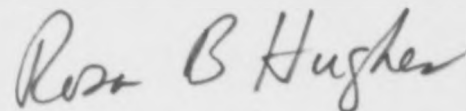
Mr. William A. McInnis

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STATE BUDGET & CONTROL BOARD

7. Relying upon the assumptions, estimates, and forecasts utilized in the feasibility study, Coopers & Lybrand's conclusions that Roper Hospital's "underlying assumptions provide a reasonable basis for management's forecast...(and) sufficient funds could be generated..." are reasonable. It must be borne in mind, however, that this conclusion is heavily reliant upon certain assumptions and estimates and therefore there is no assurance that actual revenues will, in fact, equal the forecast levels or that actual expenses will not exceed forecast amounts, as projected by the feasibility study. A key factor in generating projected revenues will be timely action by the hospital governing board to authorize the projected rate increases that will be required to achieve the objective. Even though the increases should be implemented as projected, the possibility will exist that patient utilization of the hospital will decrease because of the increased rates. A decrease in patient utilization would, of course, have an unfavorable effect on projected revenues.



Rosa B. Hughes, CPA
Audit Manager
Office of the State Auditor

RBH/dc

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EXHIBIT

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NO. 19

STATE OF SOUTH CAROLINA)

Roper Hospital

STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND)

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

That the 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 2 p.m., on Wednesday, November 5, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of: Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

5

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 the Board in my custody as its Secretary.

November 25, 1986

William A. McInnis

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EXHIBIT

NOV 5 1986 NO. 19

A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$30,000,000 HOSPITAL FACILITIES REVENUE PARITY BONDS, SERIES 1986 (ROPER HOSPITAL PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976.

WHEREAS, the County Council of Charleston County, South Carolina (the County Board) has heretofore, by submitting a petition (the Petition), under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), requested the approval by the State Budget and Control Board of the issuance by Charleston County (the County), pursuant to the Act, of its Hospital Facilities Revenue Parity Bonds (as defined in the Act), Series 1986 (Roper Hospital Project), in an aggregate principal amount of not exceeding \$30,000,000 (the Bonds); and

WHEREAS, the County now proposes to issue the Bonds, in the aggregate principal amount of not exceeding \$30,000,000, and loan the proceeds thereof to Medical Society of South Carolina, a not-for-profit corporation organized and existing under the Laws of the State of South Carolina (the Hospital), to finance the cost of a project (the Project) consisting of (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities, through the issuance of not exceeding \$30,000,000 Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project) (the Series 1986 Bonds), all of which will be of the character and accomplish the purposes provided by

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Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the Enabling Statute); and

WHEREAS, it is proposed that the Bonds will be issued on a parity with the \$23,750,000 Charleston County, South Carolina, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 1985 (Roper Hospital Project) and will be payable from revenues and receipts of the Hospital pledged and assigned to the County under the terms of a Loan Agreement (the Loan Agreement), dated as of December 1, 1985, between the County and the Hospital, to be supplemented by a Supplemental Loan Agreement (the Supplemental Loan Agreement), between the County and the Hospital, which revenues and receipts have been assigned to the Trustee hereinbelow defined by an assignment of the Loan Agreement. The Bonds are further secured by the lien of a Trust Indenture (the Trust Indenture), dated as of December 1, 1985, between the County and The South Carolina National Bank, a banking association organized and existing under the laws of the United States, as trustee (the Trustee), to be supplemented by a Supplemental Trust Indenture (the Supplemental Trust Indenture), between the County and the Trustee. The Bonds are further secured by a Mortgage (the Mortgage) and a Security Agreement (the Security Agreement) both dated as of December 1, 1985, from the Hospital to the County, to be amended by an Amendment to Mortgage and Security Agreement (the Amendment to Mortgage and Security Agreement), from the Hospital to the County, which have been assigned to the Trustee by assignments of the Mortgage and the Security Agreement; and

WHEREAS, the County has submitted (i) a copy of the letter, dated October 14, 1986, from the South Carolina Department of Health and Environmental Control stating that it is anticipated that a

Certificate of Need will be issued on or about November 14, 1986, and (ii) annual financial reports of the Hospital for the last three fiscal years, and this Board has reviewed and considered each of such documents in its consideration of the Petition by the County;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as follows:

SECTION 1

The Board has made an independent investigation of the matters set forth in the Petition and, on the basis of such investigation, it is hereby found, determined, and declared:

(a) the facts set forth in the Petition and in the preamble hereto are, in all respects, true and correct;

(b) the Petition filed by the County Board contains all matters required by law and the rules of this Board to be set forth therein and, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act;

(c) the Hospital Facilities which are the subject of the Petition of the County Board are intended to promote the purposes of the Act and are reasonably anticipated to effect such result; and

(d) the proposed financing is economically feasible.

SECTION 2

In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital for the purpose of defraying the cost of acquiring, constructing, and installing the Project, the Bonds to be payable solely from the revenues and

receipts pledged and assigned under the terms of the Loan Agreement, as supplemented by the Supplemental Loan Agreement, and to be secured by the lien of the Trust Indenture, as supplemented by the Supplemental Trust Indenture, and the Mortgage and Security Agreement, as amended by the Amendment to Mortgage and Security Agreement, be, and the same hereby is, hereby, in all respects, approved.

SECTION 3

Approval of this undertaking is further conditioned upon the receipt by the Hospital from the Department of Health and Environmental Control of all Certificates of Need required in connection with the Hospital Facilities.

SECTION 4

Notice of the action taken by this Board in approving the above described undertaking of the County shall be published, following receipt by the Hospital of the Certificates of Need referred to in Section 3 above, in The News and Courier, a daily newspaper having general circulation in Charleston County.

SECTION 5

The Notice required in Section 4 above to be published shall be in substantially the form set forth in Exhibit A to this Resolution.

SECTION 6

This Resolution shall take effect immediately.

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

EXHIBIT A

NOTICE
PURSUANT TO THE PROVISIONS OF
SECTION 44-7-1590
CODE OF LAWS OF SOUTH CAROLINA 1976

NOTICE is hereby given, pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Charleston County, South Carolina, has given its approval to the following undertaking by Charleston County, South Carolina:

The issuance by Charleston County, South Carolina, of its Hospital Facilities Revenue Parity Bonds (as defined in the Act), Series 1986 (Roper Hospital Project), in the aggregate principal amount of not exceeding \$30,000,000 (the Bonds); and the loaning of the proceeds of the Bonds to Medical Society of South Carolina, a not-for profit corporation organized and existing under the Laws of the State of South Carolina, for the purpose of defraying the cost of acquiring, constructing, and installing certain Hospital Facilities (the Hospital Facilities). The Bonds will be payable from revenues and receipts of the Hospital pledged and assigned to the County under the terms of a Loan Agreement, dated as of December 1, 1985, between the County and the Hospital, as supplemented by a Supplemental Loan Agreement between the County and the Hospital, which revenues and receipts have been assigned to the Trustee hereinbelow defined by an assignment of the Loan Agreement. The Bonds are further secured by the lien of a Trust Indenture, dated as of December 1, 1985, between the County and The

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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South Carolina National Bank, as trustee (the Trustee), as supplemented by a Supplemental Trust Indenture between the County and the Trustee. The Bonds are further secured by a Mortgage and a Security Agreement, both dated as of December 1, 1985, from the Hospital to the County, as amended by an Amendment to Mortgage and Security Agreement, which have been assigned to the Trustee. The Bonds will be issued on a parity with the \$23,750,000 Charleston County, South Carolina, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 1985 (Roper Hospital Project), heretofore issued by the County.

The County Council of Charleston County has made the following findings:

(i) The facilities to be acquired, constructed, and installed are "hospital facilities" (the Hospital Facilities), as defined in the Act.

(ii) There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

(iii) The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the Loan Agreement.

(iv) Adequate provisions shall be made for the payment of principal and interest on the bonds and any necessary reserves therefor and for the operation, repair, and

maintenance of the Hospital Facilities at the expense of the Hospital.

(v) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

The South Carolina Department of Health and Environmental Control, on November _____, 1986, issued its Certificate of Need, approving the Hospital Facilities.

NOTICE IS FURTHER GIVEN that any interested party may, within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action taken by the State Budget and Control Board, the County Council of Charleston County, or the Department of Health and Environmental Control of South Carolina, by action de novo, instituted in the Court of Common Pleas for Charleston County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: William A. McInnis
Secretary

Dated: November __, 1986

Publication Date:

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

PETITION
TO
THE STATE BUDGET AND CONTROL BOARD
OF
SOUTH CAROLINA

PURSUANT TO SECTION 44-7-1590 OF THE
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: NOT EXCEEDING \$30,000,000 CHARLESTON
COUNTY, SOUTH CAROLINA HOSPITAL
FACILITIES REVENUE PARITY BONDS, SERIES 1986
(ROPER HOSPITAL PROJECT)

EX PARTE:
COUNTY COUNCIL OF CHARLESTON COUNTY,
SOUTH CAROLINA

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TO: The Honorable Richard W. Riley, Governor
 The Honorable Grady L. Patterson, Jr.
 State Treasurer
 The Honorable Earle E. Morris, Jr.
 Comptroller General
 The Honorable Rembert C. Dennis, Chairman
 Senate Finance Committee
 The Acting Chairman
 House Ways and Means Committee

Your Petitioner, the County Council of Charleston County, South Carolina, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), and specifically, Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Charleston County is the governing body of Charleston County and, as such, constitutes a "County Board", as referred to in the Act, with respect to hospital facilities located in South Carolina.

2. The Act, among other things, empowers Charleston County (the County), functioning through its County Board (the County Board), subject to obtaining approval from the State Budget and Control Board (the State Board) required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control (the Department), required by Section 44-7-1490 of the Act, to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds; to enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the County or its assignee to meet the payments that shall become due on the bonds, including terms and conditions relative to the acquisition and use of

hospital facilities and the issuance of bonds; to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; and to make the proceeds of any bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement.

3. The County has heretofore, pursuant to an Ordinance enacted December 17, 1985, issued \$23,750,000 Charleston County, South Carolina, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 1985 (Roper Hospital Project) (the Prior Bonds) and loaned the proceeds thereof to Medical Society of South Carolina, a not-for-profit corporation under the laws of the State of South Carolina, acting in its own capacity and as trustee under the will of Thomas Roper (the Hospital), under the terms of a Loan Agreement (the Prior Loan Agreement) between the County and the Hospital, dated as of December 1, 1985.

4. The Prior Bonds are issued under the terms of and secured by a Trust Indenture (the Prior Indenture) between the County and The South Carolina National Bank, as Trustee (the Trustee), dated as of December 1, 1985, and are further secured by a Mortgage and a Security Agreement (collectively, the Mortgage and Security Agreement) from the Hospital to the County, both dated as of December 1, 1985 (the Prior Agreement, Prior Indenture, Mortgage and Security Agreement being collectively referred to herein as the Prior Documents).

5. Under the terms of the Prior Agreement and the Prior Indenture, the County may, upon compliance with certain covenants and conditions, issue additional bonds on a parity with the Prior Bonds and

loan the proceeds to the Hospital to finance improvements and additions to the hospital facilities owned by the Hospital.

6. The County Board has agreed to issue not exceeding \$30,000,000 Hospital Facilities Revenue Parity Bonds of Charleston County pursuant to the Act and to loan the proceeds thereof to the Hospital, to finance improvements and additions to the hospital facilities owned by the Hospital, including (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities (such additions, renovations and improvements, as so acquired, constructed and installed, being referred to herein as the Project).

7. The Hospital contemplates the lease of the Project to Roper Hospital, Inc. (the Affiliate), a South Carolina not-for-profit corporation and a wholly-owned subsidiary of Roper Health Services, Inc., a South Carolina not-for-profit corporation and a wholly-owned subsidiary of the Hospital, all in accordance with the terms of Section 9.1 of the Prior Agreement.

8. The County Board is advised by the Hospital that the cost of acquiring, and constructing and installing the new Hospital Facilities including interest during construction, debt service reserve funds, and the costs of issuing the bonds will be approximately \$30,000,000; and that, therefore, in order to defray a major portion of the cost of the Hospital Facilities, including interest during construction, amounts deposited in the debt service reserve fund, and the cost of the

financing, it will be necessary that the County Board issue not exceeding THIRTY MILLION (\$30,000,000) DOLLARS Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project) (the Bonds).

9. The County Board has found and determined that:

a. The facilities to be acquired, constructed, and equipped are "hospital facilities", as defined in the Act.

b. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

c. The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations under the loan agreement to be entered into between the County and the Hospital, including the obligations to make the payments required thereunder, to operate, repair, and maintain, at its own expense, the hospital facilities, and discharging such other responsibilities as may be imposed under the loan agreement.

d. Adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair, and maintenance of the Hospital Facilities at the expense of the Hospital.

e. The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

f. The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

g. Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

10. Pursuant to Section 44-7-1590 of the Act, the County Board sets forth the following information:

a. The Hospital Facilities to be undertaken consist of the (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities (such additions, renovations and improvements, as so acquired, constructed and installed, being referred to herein as the Project).

b. In connection with the Hospital Facilities, the Department of Health and Environmental Control has issued its letter, dated October 14, 1988, stating that it expects to issue

its Certificate of Need on November 14, 1986 (Exhibit A).

c. The cost of the Hospital Facilities will be approximately THIRTY MILLION (\$30,000,000) DOLLARS, including interest during construction, amounts deposited in the debt service reserve fund, financing cost, and all other expenses to be incurred in connection therewith.

d. In general, the terms and conditions of the Prior Loan Agreement as supplemented by a supplemental loan agreement between the County and the Hospital, provide that:

(i) To finance the cost of the Hospital Facilities, the County will, at the request of the Hospital, issue not exceeding \$30,000,000 Hospital Facilities Revenue Parity Bonds, Series 1986, of Charleston County, South Carolina, and loan the proceeds thereof to the Hospital for the purpose of defraying the major cost of the Hospital Facilities, including interest during construction, amounts deposited in the debt service reserve fund, and the costs of the financing.

(ii) The loan agreement contains no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its credit or taxing powers.

(iii) The loan agreement contains provisions whereby the Hospital (a) pledges and assigns to the County and agrees to pay to the Trustee, for the benefit of the County, sufficient revenues of the Hospital to satisfy all obligations of the Hospital under the loan agreement, (b) agrees to effect the completion of the Hospital Facilities if the proceeds of the Bonds prove insufficient, (c) agrees to pay the principal of and interest on the Bonds, (d) agrees to build up and maintain any revenues deemed advisable by the County Board, and (e) agrees to pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping the Hospital Facilities properly insured.

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

That the State Budget and Control Board (i) accept the filing of the Petition presented herewith, (ii) as soon as practicable, make its independent investigation of the Hospital Facilities and the terms and provisions of the loan agreement as it deems advisable, (iii) thereafter, make a finding that the proposed Hospital Facilities are intended to promote the purposes of the Act and that it is reasonably anticipated that the Hospital Facilities will effect such result, (iv) make a finding that the proposed financing is economically feasible, and, on the basis of such finding, approve the issuance of not exceeding \$30,000,000

Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project), and the loan of the proceeds thereof to the Hospital for the purpose of defraying the cost of the acquisition, construction, and installation of the Hospital Facilities, including changes in any details of the financing as finally consummated which do not materially affect the undertaking, and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

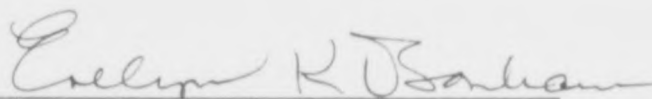
CHARLESTON COUNTY, SOUTH CAROLINA

(SEAL)

By: 

Chairman
County Council of
Charleston County, South Carolina

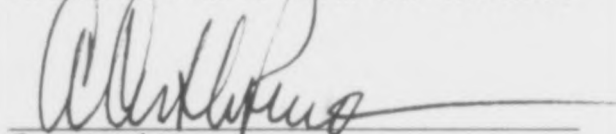
ATTEST:



Clerk
County Council of
Charleston County, South Carolina

Dated: October 21, 1986

APPROVED as to Form and Content:



County Attorney
Charleston County, South Carolina

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

South Carolina Department of Health and Environmental Control

2600 Bull Street
Columbia, S.C. 29201

Commissioner
Robert S. Jackson, M.D.



Board
Moses H. Clarkson, Jr., Chairman
Gerald A. Kaynard, Vice-Chairman
Oren L. Brady, Jr., Secretary
Barbara P. Nuessle
James A. Spruill, Jr.
William H. Hester, M.D.
Euta M. Colvin, M.D.

October 14, 1986

Re: Construction of a five story North Tower
on the site presently occupied by the Morawetz
Wing to house a previously approved Radiation
Therapy Unit with Linear Accelerator, relocated
ancillary/diagnostic departments, and sixty-three
(63) relocated beds
Roper Hospital
Charleston, South Carolina

Ms. Sharon Stricker
Roper Hospital
Charleston, SC

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

Dear Ms. Stricker:

After consideration of the Palmetto-Lowcountry Health Systems Agency's recommendation, it is the decision of this Department that a Certificate of Need be issued for the above referenced project. This decision is based on the following:

- (1) The applicant has documented the need for the North Tower expansion within the project application.
- (2) The project will improve visitor and patient/staff transportation and circulation within Roper Hospital.
- (3) The project will provide needed additional space for ancillary departments within the facility.

The Department makes the following findings pursuant to Section 503, Regulation No. 61-15, Certification of Need for Health Facilities and Services:

- (1) Existing inpatient services similar to the proposed service are being provided in an efficient and appropriate manner;
- (2) The proposed new institutional health service's projected capital and operating costs (and their potential impact on patient charges), efficiency, and appropriateness appear reasonable to the Department;

04797

Ms. Sharon Stricker
October 14, 1986
Page 2

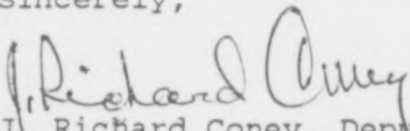
- (3) That superior alternatives to such inpatient services in terms of cost, efficiency, and appropriateness do not exist and that the development of such alternatives is not practicable;
- (4) That alternatives to new construction have been considered and have been implemented to the maximum extent practicable; and
- (5) That patients will experience serious problems in terms of costs, availability, or accessibility in obtaining inpatient care of the type proposed in the absence of the proposed new service.

The additional finding required by Section 503, (b) (4) Regulation No. 61-15 is not applicable to this project.

If a request for a "good cause" public hearing or an appeal from any affected person is not received by this Department within the next thirty days, this decision will become final and the Certificate of Need will be mailed to you. However, if an administrative hearing is requested, the issuance of the Certificate of Need shall be delayed until the Department's decision is upheld. In this regard, an applicant shall not proceed with a project until this Department issues a Certificate of Need.

If you have any questions, please feel free to contact us at 734-4690.

Sincerely,


J. Richard Coney, Deputy Commissioner
Health Facilities and Services Regulations

JRC:DRG:dbw

cc: Ms. Katherine Duffy

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

04798

EXHIBIT

NOV 5 1986 NO. 19

A RESOLUTION

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO THE ISSUANCE OF NOT EXCEEDING \$30,000,000 CHARLESTON COUNTY, SOUTH CAROLINA, HOSPITAL FACILITIES REVENUE PARITY BONDS, SERIES 1986 (ROPER HOSPITAL PROJECT); AND AUTHORIZING THE FILING OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, SEEKING ITS APPROVAL FOR THE ISSUANCE OF THE BONDS.

WHEREAS, Charleston County, South Carolina (the County), acting by and through its County Council (the County Council), is authorized and empowered, under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping, and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of loan to a hospital or public agency pursuant to a loan agreement; and

WHEREAS, the County is further authorized to pledge or assign any moneys, rents, charges, fees, or other revenues, including any proceeds of insurance or condemnation awards pursuant to any loan agreement, to the payment of the bonds issued pursuant to such loan agreement; and

04799

WHEREAS, the County has heretofore, pursuant to an Ordinance enacted December 17, 1985, issued \$23,750,000 Charleston County, South Carolina, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 1985 (Roper Hospital Project) (the Prior Bonds) and loaned the proceeds thereof to Medical Society of South Carolina, a not-for-profit corporation under the laws of the State of South Carolina, acting in its own capacity and as trustee under the will of Thomas Roper (the Hospital), under the terms of a Loan Agreement (the Prior Loan Agreement) between the County and the Hospital, dated as of December 1, 1985; and

WHEREAS, the Prior Bonds are issued under the terms of and secured by a Trust Indenture (the Prior Indenture) between the County and The South Carolina National Bank, as Trustee (the Trustee), dated as of December 1, 1985, and are further secured by a Mortgage and a Security Agreement (collectively, the Mortgage and Security Agreement) from the Hospital to the County, both dated as of December 1, 1985 (the Prior Agreement, Prior Indenture, Mortgage and Security Agreement being collectively referred to herein as the Prior Documents); and

WHEREAS, under the terms of the Prior Agreement and the Prior Indenture, the County may, upon compliance with certain covenants and conditions, issue additional bonds on a parity with the Prior Bonds and loan the proceeds to the Hospital to finance improvements and additions to the hospital facilities owned by the Hospital; and

WHEREAS, the Hospital now proposes that the County issue its not exceeding THIRTY MILLION and no/100 (\$30,000,000) DOLLARS Charleston County, South Carolina, Hospital Facilities Revenue Parity

04800

Bonds, Series 1986 (Roper Hospital Project) (the Series 1986 Bonds), to finance improvements and additions to the hospital facilities owned by the Hospital, including (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities (such additions, renovations and improvements, as so acquired, constructed and installed, being referred to herein as the Project); and

WHEREAS, the Hospital contemplates the lease of the Project to Roper Hospital, Inc. (the Affiliate), a South Carolina not-for-profit corporation and a wholly-owned subsidiary of Roper Health Services, Inc., a South Carolina not-for-profit corporation and a wholly-owned subsidiary of the Hospital, all in accordance with the terms of Section 9.1 of the Prior Agreement; and

WHEREAS, the County Council now proposes to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval of the proposed financing, in the amount of not exceeding \$30,000,000, by the State Budget and Control Board.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Charleston County, South Carolina, as follows:

04801

SECTION 1

A. The County Council constitutes the "County Board", as that term is defined in the Act.

B. The facilities to be acquired, constructed, and installed are "hospital facilities" (the Hospital Facilities), as defined in the Act.

C. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

D. The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations under the loan agreement to be entered into between the County and the Hospital, including the obligations to make the payments required thereunder, to operate, repair, and maintain, at its own expense, the Hospital Facilities, and discharging such other responsibilities as may be imposed under the loan agreement.

E. Adequate provisions shall be made for the payment of principal of and interest on the bonds and any necessary reserves therefor and for the operation, repair, and maintenance of the Hospital Facilities at the expense of the Hospital.

F. The public facilities, including utilities, and the public services necessary for the Hospital Facilities will be made available.

G. The issuance of not exceeding THIRTY MILLION (\$30,000,000) DOLLARS Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project) (the Bonds), will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

H. Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

I. The issuance of the Bonds, in an aggregate principal amount of not exceeding \$30,000,000, will be required in order to loan the proceeds thereof to the Hospital for the purpose of defraying the major portion of the cost of the Hospital Facilities.

SECTION 2

There is hereby authorized and directed to be submitted, on behalf of the County, a Petition of this County Council, requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina, pursuant to the provisions of Section 44-7-1590 of the Act, the Petition to be in substantially the form attached hereto as Exhibit A, with such changes, insertions, and omissions as may be approved by the County Attorney for Charleston County, such execution being conclusive evidence of such approval.

SECTION 3

The Chairman of the County Council of Charleston County (or, in his absence, the Vice Chairman) is hereby authorized and directed to execute the Petition in the name and on behalf of the County and the Clerk of the County Council (or, in her absence, the Acting Clerk) is hereby authorized and directed to affix the Seal of the County Council to the Petition and to attest the same and thereafter submit an executed

copy of this Resolution, along with the Petition, to the State Budget and Control Board of South Carolina.

SECTION 4

All orders and resolutions and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

04804

EXHIBIT A

PETITION
TO
THE STATE BUDGET AND CONTROL BOARD
OF
SOUTH CAROLINA

PURSUANT TO SECTION 44-7-1590 OF THE
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: NOT EXCEEDING \$30,000,000 CHARLESTON
COUNTY, SOUTH CAROLINA HOSPITAL
FACILITIES REVENUE PARITY BONDS, SERIES 1986
(ROPER HOSPITAL PROJECT)

EX PARTE:
COUNTY COUNCIL OF CHARLESTON COUNTY,
SOUTH CAROLINA

04805

TO: The Honorable Richard W. Riley, Governor
 The Honorable Grady L. Patterson, Jr.
 State Treasurer
 The Honorable Earle E. Morris, Jr.
 Comptroller General
 The Honorable Rembert C. Dennis, Chairman
 Senate Finance Committee
 The Honorable Tom E. Mangum, Chairman
 House Ways and Means Committee

Your Petitioner, the County Council of Charleston County, South Carolina, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), and specifically, Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Charleston County is the governing body of Charleston County and, as such, constitutes a "County Board", as referred to in the Act, with respect to hospital facilities located in South Carolina.

2. The Act, among other things, empowers Charleston County (the County), functioning through its County Board (the County Board), subject to obtaining approval from the State Budget and Control Board (the State Board) required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control (the Department), required by Section 44-7-1490 of the Act, to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds; to enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the County or its assignee to meet the payments that shall become due on the bonds, including terms and conditions relative to the acquisition and use of

hospital facilities and the issuance of bonds; to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; and to make the proceeds of any bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement.

3. The County has heretofore, pursuant to an Ordinance enacted December 17, 1985, issued \$23,750,000 Charleston County, South Carolina, Hospital Facilities Revenue Refunding and Improvement Bonds, Series 1985 (Roper Hospital Project) (the Prior Bonds) and loaned the proceeds thereof to Medical Society of South Carolina, a not-for-profit corporation under the laws of the State of South Carolina, acting in its own capacity and as trustee under the will of Thomas Roper (the Hospital), under the terms of a Loan Agreement (the Prior Loan Agreement) between the County and the Hospital, dated as of December 1, 1985.

4. The Prior Bonds are issued under the terms of and secured by a Trust Indenture (the Prior Indenture) between the County and The South Carolina National Bank, as Trustee (the Trustee), dated as of December 1, 1985, and are further secured by a Mortgage and a Security Agreement (collectively, the Mortgage and Security Agreement) from the Hospital to the County, both dated as of December 1, 1985 (the Prior Agreement, Prior Indenture, Mortgage and Security Agreement being collectively referred to herein as the Prior Documents).

5. Under the terms of the Prior Agreement and the Prior Indenture, the County may, upon compliance with certain covenants and conditions, issue additional bonds on a parity with the Prior Bonds and

loan the proceeds to the Hospital to finance improvements and additions to the hospital facilities owned by the Hospital.

6. The County Board has agreed to issue not exceeding \$30,000,000 Hospital Facilities Revenue Parity Bonds of Charleston County pursuant to the Act and to loan the proceeds thereof to the Hospital, to finance improvements and additions to the hospital facilities owned by the Hospital, including (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities (such additions, renovations and improvements, as so acquired, constructed and installed, being referred to herein as the Project).

7. The Hospital contemplates the lease of the Project to Roper Hospital, Inc. (the Affiliate), a South Carolina not-for-profit corporation and a wholly-owned subsidiary of Roper Health Services, Inc., a South Carolina not-for-profit corporation and a wholly-owned subsidiary of the Hospital, all in accordance with the terms of Section 9.1 of the Prior Agreement.

8. The County Board is advised by the Hospital that the cost of acquiring, and constructing and installing the new Hospital Facilities including interest during construction, debt service reserve funds, and the costs of issuing the bonds will be approximately \$30,000,000; and that, therefore, in order to defray a major portion of the cost of the Hospital Facilities, including interest during construction, amounts deposited in the debt service reserve fund, and the cost of the

EXHIBIT

NOV 5 1986 NO. 19

Exhibit A - 4

STATE BUDGET & CONTROL BOARD

04808

financing, it will be necessary that the County Board issue not exceeding THIRTY MILLION (\$30,000,000) DOLLARS Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project) (the Bonds).

9. The County Board has found and determined that:

a. The facilities to be acquired, constructed, and equipped are "hospital facilities", as defined in the Act.

b. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

c. The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations under the loan agreement to be entered into between the County and the Hospital, including the obligations to make the payments required thereunder, to operate, repair, and maintain, at its own expense, the hospital facilities, and discharging such other responsibilities as may be imposed under the loan agreement.

d. Adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair, and maintenance of the Hospital Facilities at the expense of the Hospital.

e. The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

f. The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

g. Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

10. Pursuant to Section 44-7-1590 of the Act, the County Board sets forth the following information:

a. The Hospital Facilities to be undertaken consist of the (i) the construction on lands currently owned by the Hospital of a seven story addition to the present hospital facilities which will contain patient rooms and ancillary facilities, and (ii) the renovation and improvement of certain of the existing hospital facilities (such additions, renovations and improvements, as so acquired, constructed and installed, being referred to herein as the Project).

b. In connection with the Hospital Facilities, the Department of Health and Environmental Control has issued its

EXHIBIT

NOV 5 1986 NO. 19

Exhibit A - 6

STATE BUDGET & CONTROL BOARD

04810

Certificate of Need, dated _____, 1986
(Exhibit A).

c. The cost of the Hospital Facilities will be approximately THIRTY MILLION (\$30,000,000) DOLLARS, including interest during construction, amounts deposited in the debt service reserve fund, financing cost, and all other expenses to be incurred in connection therewith.

d. In general, the terms and conditions of the Prior Loan Agreement as supplemented by a supplemental loan agreement between the County and the Hospital, provide that:

(i) To finance the cost of the Hospital Facilities, the County will, at the request of the Hospital, issue not exceeding \$30,000,000 Hospital Facilities Revenue Parity Bonds, Series 1986, of Charleston County, South Carolina, and loan the proceeds thereof to the Hospital for the purpose of defraying the major cost of the Hospital Facilities, including interest during construction, amounts deposited in the debt service reserve fund, and the costs of the financing.

(ii) The loan agreement contains no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its credit or taxing powers.

(iii) The loan agreement contains provisions whereby the Hospital (a) pledges and assigns to the County and agrees to pay to the Trustee, for the benefit of the County, sufficient revenues of the Hospital to satisfy all obligations of the Hospital under the loan agreement, (b) agrees to effect the completion of the Hospital Facilities if the proceeds of the Bonds prove insufficient, (c) agrees to pay the principal of and interest on the Bonds, (d) agrees to build up and maintain any revenues deemed advisable by the County Board, and (e) agrees to pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping the Hospital Facilities properly insured.

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

That the State Budget and Control Board (i) accept the filing of the Petition presented herewith, (ii) as soon as practicable, make its independent investigation of the Hospital Facilities and the terms and provisions of the loan agreement as it deems advisable, (iii) thereafter, make a finding that the proposed Hospital Facilities are intended to promote the purposes of the Act and that it is reasonably anticipated that the Hospital Facilities will effect such result, (iv) make a finding that the proposed financing is economically feasible, and, on the basis of such finding, approve the issuance of not exceeding \$30,000,000

Charleston County, South Carolina, Hospital Facilities Revenue Parity Bonds, Series 1986 (Roper Hospital Project), and the loan of the proceeds thereof to the Hospital for the purpose of defraying the cost of the acquisition, construction, and installation of the Hospital Facilities, including changes in any details of the financing as finally consummated which do not materially affect the undertaking, and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

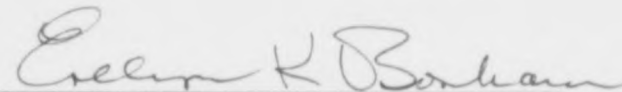
CHARLESTON COUNTY, SOUTH CAROLINA

(SEAL)

By: 

Chairman
County Council of
Charleston County, South Carolina

ATTEST:



Clerk
County Council of
Charleston County, South Carolina

Dated: October __, 1986

APPROVED as to Form and Content:

County Attorney
Charleston County, South Carolina

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THIS IS TO CERTIFY that the foregoing is an exact, verbatim copy of a Resolution unanimously adopted at a duly called and held regular meeting of the County Council of Charleston County, South Carolina, held at Council Chambers, 2 Courthouse Square, Charleston, South Carolina, on Tuesday, October 21, 1986, at which meeting a quorum was present and remained throughout.

The Resolution was offered by Councilmember Elizabeth Kerrison, seconded by Councilmember Linda Lombard, and has been recorded in the County Council's records of proceedings and remains in my custody as Clerk, and the Resolution remains in full force and effect and has not been amended, modified, or repealed.

WITNESS MY Hand and the Seal of Charleston County, South Carolina, this 27th day of October, A.D. 1986.

(SEAL)

Evelyn K. Bonham
Evelyn K. Bonham, Clerk
County Council of
Charleston County, South Carolina

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

04814

TRANSMITTAL FORM, REVENUE BONDS

Date: 10/27/86
Submitted for BCB Meeting on:
11/5/86

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

McKay & Guerard, P.A.
Name of Law Firm
Charleston, SC 29402
City, State, Zip Code

2 Prioleau Street, P.O. Box 1119
Street Address/Box Number
(803) 722-7606
Telephone Area Code and Number

RE: Not Exceeding \$30,000,000
Amount of Issue
Charleston County
Issuing Authority Name

Hospital Facilities Revenue Parity Bonds
Type of Bonds or Notes
12/5/86
Projected Issue Date

Project Name: Roper Hospital Project
Project Description:
New wing containing patient beds and ancillary facilities; renovations
and additions to existing facilities.
Employment as result of project: N/A

CEILING ALLOCATION REQUIRED

Yes (\$ _____) X No
Amount

REFUNDING INVOLVED

Yes (\$ _____) X No
Amount

PROJECT APPROVED PREVIOUSLY

Yes (_____) X No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. n/a Inducement Resolution or comparable preliminary approval (executed copy)
D. Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)

OR X Audited financial statements for three most recent years

- E. X Department of Health and Environmental Control certificate IF REQUIRED
F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 8 copies for certification and return to counsel]
G. X Processing fee
Amount \$ 4,000 Check No. 76874
Payor Roper Hospital

Bond Counsel: McKay & Guerard, P.A.

Typed Name

By:

Signature

EXHIBIT

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

04815

HOSPITAL REVENUE BOND PROJECT

RECEIVED
S. C. ATTORNEY GENERAL
DATE 11-3-86

Roper Hospital Project

EXHIBIT

GOVERNING BOARD

NOV 5 1986 NO. 19

STATE BUDGET & CONTROL BOARD

County Council of Charleston County

BOND COUNSEL

McKay & Guerard, P.A.
Charleston, SC 29402

FINDINGS BY THE COUNTY COUNCIL (§ 44-7-1480)

The County Council has made the following findings:

✓ (a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

✓ (b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including:

✓ the obligations to make the payments required thereunder;

04817

✓ to operate, repair and maintain at its own expense the hospital facilities; and

✓ to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for:

✓ the payment of the principal of and the interest on the bonds and any necessary reserves therefor; and

✓ for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

✓ (d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

APPROVAL BY DHEC (§ 44-7-1490)

✓ Approval from DHEC shall be obtained if required

PROVISIONS IN LOAN AGREEMENT (§ 44-7-1520)

✓ (a) The loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and

✓ (b) Each loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient:

✓ (a) to pay the principal of and interest on the bonds issues for such hospital facilities,

✓ (b) to build up and maintain any reserves deemed by the county council to be advisable in connection therewith, and

✓ (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured.

PAYMENT IN LIEU OF TAXES (§ 44-7-1530)

_____ If title to the hospital facility is in a public agency and if the public agency has a loan agreement with a for profit corporation, the loan agreement shall contain a provision requiring the hospital agency (i.e., the corporation) to make payments to the county or counties, school district(s) and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such political units.

REFUNDING OF BONDS (§ 44-7-1560)

_____ Refunding bonds shall comply with § 44-7-1560.

PETITION TO BUDGET AND CONTROL BOARD (§ 44-7-1590)

The Petition shall set forth:

- ☒ (a) A brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding so proposed;
- ☒ (b) A statement setting forth the action taken by DHEC in connection with the hospital facilities;
- ☒ (c) A reasonable estimate of the cost of the hospital facilities; and
- ☒ (d) A general summary of the terms and conditions of the proposed loan agreement.

FINDINGS BY BUDGET AND CONTROL BOARD (§ 44-7-1590)

- ☒ The proposed hospital facilities are intended to promote the purposes of this article (the Act), and
- ☒ May be reasonably anticipated to effect such result, and
- ☒ The proposed financing is economically feasible.

UNUSUAL QUESTIONS CONSIDERED:

04820

The State of South Carolina

EXHIBIT



NOV 5 1986

NO. 20

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

November 13, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: Not exceeding \$8,500,000 Greenville County,
South Carolina, Hospital Revenue Bonds,
including \$2,100,000 Hospital Revenue Refunding
Bonds (Chestnut Hill Mental Health Center, Inc.)

Dear Mr. McInnis:

Regarding the above-referenced bond and our earlier opinion of November 5, 1986, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/dac

Enclosures

C4821

EXHIBIT

NOV 5 1986

NO. 20

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING ~~\$6,000,000~~ PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC. PROJECT) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

~~\$2,100,000~~
(REFUNDING)

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) 1986 in the aggregate principal amount of not exceeding ~~\$6,000,000~~ (the "Bonds"); and

~~\$2,100,000~~

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Chestnut Hill Mental Health Center, Inc. (the "Hospital") for the purpose of ~~defraying the cost of constructing and equipping an addition to its hospital facility (the "Project") and~~ refunding the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"); and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts of the Hospital, including payments under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of the revenues and receipts and by the lien of an Indenture between the County and the trustee or holders of the Bonds; and

WHEREAS, the County has submitted ~~with the~~ a copy of a resolution and petition adopted by the County on October 7, 1986;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

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(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to the Act; and

(c) The Project and the refunding of the Series 1981 Bonds, subject of the Petition of the Governing Board, is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital to ~~defray the cost of the Project, to make the Project available to the Hospital, to~~ refund the Series 1981 Bonds, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Hospital, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project. The Bonds issued to refund the Series 1981 Bonds may be issued as a separate series of Bonds from the Bonds used to finance the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

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EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

\$2,100,000
The issuance by Greenville County of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) in the original principal amount of not exceeding \$6,000,000 (the "Bonds"), is for the purpose of loaning the proceeds of the Bonds to Chestnut Hill Mental Health Center, Inc. to defray the costs of constructing and equipping an addition to its hospital facility (the "Project") and refunding the outstanding amount of the \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds, Series 1981 (Chestnut Hill Mental Health Center, Inc.), located in Greenville County. The Bonds are to be payable solely from the revenues and receipts derived under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of revenues and receipts under the Agreement and by the lien of an Indenture between the County and the trustee or holders of the Bonds.

The South Carolina Department of Health and Environmental Control has issued its certificate of need dated August 1, 1986, with respect to the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board, the County Council of Greenville County, or the Department of Health and Environmental Control of South Carolina, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: November 5, 1986.

04824

NOV - 6 1986

The State of South Carolina



Office of the Attorney General

EXHIBIT

NOV 5 1986

NO. 20

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

November 5, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: \$6,000,000 Greenville County, South Carolina
Hospital Revenue Bonds
(Chestnut Hill Mental Health Center, Inc.)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/dac

Enclosures

04825

*Have would
like to see
revised docs,
then will
amend letter.*

DEC 10 1986

State of South Carolina



EXHIBIT

NOV 5 1986 NO. 20

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333
COLUMBIA
29211
(803) 758-8406

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

December 10, 1986

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Hospital Revenue Bond Issue - Greenville County - \$6,000,000
(Chestnut Hill Mental Health Center, Inc.)

1. The proposed issue of \$6,000,000 was intended to pay the costs of constructing and equipping an addition to the hospital facilities and to provide funds to permit advance refunding of \$2,100,000 outstanding Greenville County First Mortgage Hospital Revenue Bonds (Series 1981).

Because the Series 1981 bond indenture required redemption to occur on an interest payment date (December 1st was the last interest payment date in 1986), the Center elected to split the proposed issue, proceeded with the \$2,090,000 refunding issue in November, and deferred action on the \$3,095,000 expansion issue until December.

Based upon discussions with bond counsel and the bond underwriter and upon review of the audited financial statements, we saw no reason to disapprove the proposed refunding bond issue. (See our letter to you dated November 13, 1986.)

2. We reviewed audited financial statements of the Center for the years ended June 30, 1986, 1985, and 1984. The statements for the years ended in 1986 and 1985 were examined by G. R. Rish & Company, Lexington, South Carolina, whose opinions on the statements were unqualified. The statements for the year ending in 1984 were examined by Rovner, Shaw, Munaf0 & Dalton, Greenville, South Carolina, whose opinion was also unqualified.

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STATE BUDGET & CONTROL BOARD

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL
REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

RICHARD W. RILEY, CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER

TOM C. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE
WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

Mr. William A. McInnis

Page Two

December 10, 1986

3. The proposed bond issue is to provide funds for construction of a residential treatment center (RTC) for seriously emotionally disturbed adolescents and renovations to the existing adult psychiatric facility; to fund interest during construction and the Debt Service Reserve Fund; and to pay bond issue costs. The 44 bed RTC project, which will double available Center beds, includes an accredited school, gymnasium, and swimming pool. We have therefore also reviewed the November 21, 1986, preliminary draft of a financial feasibility study prepared by Laventhol & Horwath, Philadelphia, Pennsylvania, for the purpose of determining the Center's ability to meet debt service requirements (including those associated with the proposed \$3,095,000 Series 1986 issue), anticipated operating expenses, and working capital and other financial requirements during the four years ending June 30, 1991.

Laventhol & Horwath concluded in their preliminary draft financial analysis that:

"In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

"In our opinion, the underlying assumptions provide a reasonable basis for Hospital management's forecast. However, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

"The accompanying forecast indicates that sufficient funds could be generated to meet the Hospital's operating expenses, working capital needs, and other financial requirements, including the debt service requirements associated with the proposed bond issue, during the forecast periods."

4. Laventhol & Horwath's preliminary draft report contained the following emphasis:

"The Hospital's management has indicated that the Hospital has experienced major changes in its adult psychiatric referral patterns and therefore recently embarked on a marketing program designed to restore the census to prior levels. Since the marketing program was only recently implemented, the enclosed forecast assumes continued improvements in the average daily census for the years ending June 30, 1987 and 1988. The forecast further assumes that inpatient psychiatric average daily census for the subsequent annual forecast periods will increase in accordance with projected increases in the population aged twenty years and over."

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EXHIBIT

NOV 5 1986 NO. 20

Mr. William A. McInnis
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December 10, 1986

STATE BUDGET & CONTROL BOARD

The marketing program is described in the "Forecast of Utilization" section of the feasibility study as follows:

"As of September 1986, the Hospital has implemented a marketing program to increase admissions and average daily census which decreased beginning in March 1986 as a result of a change in the pattern of referrals by the mental health agencies. This change was caused by pressures placed on the mental health agencies to refer all inpatient referrals to the 206-bed Patrick B. Harris Psychiatric Hospital that opened in October 1985.

"The emphasis of the marketing program is to widen the number of referral sources for the Hospital... "Hospital management has hired a professional to implement the marketing program and the utilization for October 1986 shows some increase over the prior three months. The continued success of the marketing program or a return to the historical referral patterns in existence prior to this year is essential for the Hospital to sustain the forecasted occupancies."

5. Some major assumptions utilized in the feasibility study are as follows:

- A. The proposed \$3,095,000 will be issued at an assumed annual interest rate of 10.375% and will mature on December 1, 2016.
- B. Revenue from services to patients is projected to increase sufficiently from 1987 through 1990 to provide excess of revenue over expenses sufficient to cover the increased costs of operations and debt service and to preserve the financial position of the institution.

Certain actual and projected patient service revenue statistics are presented below:

	Actual	Forecasted				
<u>Routine Service Average</u>						
<u>Daily Rate:</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Adult psychiatric	\$290	\$340	\$350	\$368	\$386	\$405
Residential treatment center*	-	-	275	289	303	318
<u>Ancillary Patient Day</u>						
<u>Charges:</u>						
Adult psychiatric	-	52	54	56	59	62

* These rates include ancillary charges.

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5. C. The following table contains actual and forecasted patient service utilization statistics:

	Actual			Forecasted				
	Years ending June 30,			Years ending June 30,				
	1984	1985	1986	1987	1988	1989	1990	1991
<u>Psychiatric</u>								
Total admissions	113	303	309	352	361	363	365	368
Total patient days	7,472	12,087	11,991	10,094	11,913	12,009	12,118	12,228
Average daily census	20.4	33.1	32.9	27.7	32.6	32.9	33.2	33.5
Staffed beds available	44	44	44	44	44	44	44	44
Percent occupancy	46.4%	75.3%	74.7%	62.9%	74.0%	74.8%	75.5%	76.1%
Average length of stay (days) ⁽¹⁾	66.1	39.9	38.8	28.7	33.0	33.1	33.2	33.2
<u>RTC</u>								
Total admissions	N/A	N/A	N/A	N/A	16 ⁽²⁾	43	49	49
Total patient days	N/A	N/A	N/A	N/A	1,633	10,270	13,198	13,414
Average daily census	N/A	N/A	N/A	N/A	9.0	28.1	36.2	36.8
Staffed beds available	N/A	N/A	N/A	N/A	44	44	44	44
Percent occupancy	N/A	N/A	N/A	N/A	20.5%	63.9%	82.2%	83.5%
Average length of stay (days) ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	274	274	274

N/A - Not applicable.

(1) Based on admissions and patient days.

(2) RTC will open January 1, 1988, and be available for occupancy six months of fiscal 1988.

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EXHIBIT

Mr. William A. McInnis
Page Five
December 10, 1986

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

5. D. Ninety percent of the cost of operating the Center will be recognized as reimbursable costs by Medicare. In estimating the contractual allowances the following third-party revenue relationships were utilized:

	Years ended or ending June 30,		
	Actual		Forecasted
	1986	1987 (1)	1987-1991
Adult psychiatric:			
Medicare	51%	65%	63%
Medicaid (2)	10	-	-
Blue Cross, commercial insurance and private-pay	<u>39</u>	<u>35</u>	<u>37</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>
RTC:			
Commercial insurance and private-pay			50%
State agencies			<u>50</u>
			<u>100%</u>

(1) Based on three months ended September 30, 1986.

(2) The Center stopped admitting Medicaid patients in January 1986.

- E. The following assumptions relate to free services and other allowances:

"Blue Cross payments are paid on the basis of the Hospital's contract with Blue Cross of South Carolina. The contract provides that the Hospital will be paid 80.0 percent of Blue Cross charges.

"Management of the Hospital intends to negotiate contracts with various state agencies for RTC patients. The Hospital has estimated reimbursement from these contracts at approximately 75.0 percent of charges.

"Free service, discounts and bad debts were estimated at approximately 25.0 percent of the Hospital's private and commercial patient revenues. This percentage is based on the historical experience of the existing facility.

"Free services, discount and bad debts for the RTC were estimated at approximately 25.0 percent of RTC gross patient revenue. This percentage is based on the historical experience of the existing facility, the estimated reimbursement from various state agencies and discussions with management."

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EXHIBIT

NOV 5 1986 NO. 2 0

Mr. William A. McInnis
Page Six
December 10, 1986

STATE BUDGET & CONTROL BOARD

5. F. A schedule of projected income and debt service coverage data follows:

(Dollars in Thousands)

	Years ending June 30,				
	1987	1988	1989	1990	1991
Income before extraordinary item	\$182	\$ 86	\$ 712	\$ 804	\$ 872
Add:					
Depreciation	77	164	240	220	208
Amortization	23	18	12	10	10
Interest	<u>292</u>	<u>394</u>	<u>546</u>	<u>539</u>	<u>531</u>
Funds provided by operations	574	662	1,510	1,573	1,621
Less:					
Debt service on other debt	(113)	(105)	(63)	(54)	(39)
Interest earnings on Debt					
Service Reserve Account prior to full funding	<u>(11)</u>	<u>(6)</u>	<u> </u>	<u> </u>	<u> </u>
Funds available for debt service on the Bonds	<u>\$450</u>	<u>\$551</u>	<u>\$1,447</u>	<u>\$1,519</u>	<u>\$1,582</u>
Debt service on the Bonds ⁽¹⁾	<u>\$261</u>	<u>\$382</u>	<u>\$ 546</u>	<u>\$ 563</u>	<u>\$ 564</u>
Debt service coverage on the Bonds	<u>1.72x</u>	<u>1.44x</u>	<u>2.65x</u>	<u>2.70x</u>	<u>2.80x</u>

(1) Includes debt service on the Series 1981 Bonds prior to refinancing. Funded interest of \$161,000 and \$160,000 in 1987 and 1988, respectively, has been excluded from the debt service amounts.

04831

EXHIBIT

NOV 5 1986

NO. 20

Mr. William A. McInnis

Page Seven

December 10, 1986

STATE BUDGET & CONTROL BOARD

6. Our review of the feasibility study produced no indications that would cause us to dispute any of the assumptions, estimates, or forecast information contained therein.

Relying upon the assumptions, estimates, and forecasts utilized in the feasibility study, Laventhol & Horwath's conclusions that the "underlying assumptions provide a reasonable basis for Hospital management's forecast...(and) sufficient funds could be generated..." are reasonable. It must be borne in mind, however, that these conclusions are heavily reliant upon certain assumptions and estimates and therefore there is no assurance that actual revenues will, in fact, equal the forecast levels or that actual expenses will not exceed forecast amounts, as projected by the feasibility study. A key factor in generating projected revenues will be timely action by the hospital governing board to authorize the projected rate increases that will be required to achieve the objective. Even though the increases should be implemented as projected, the possibility will exist that patient utilization of the hospital will decrease because of the increased rates. A decrease in patient utilization would, of course, have an unfavorable effect on projected revenues.

7. Per discussions with Paul Bolster, Esquire, of the Alston Bird law firm of Atlanta, bond counsel for the expansion bond issue, and Gregory Grove of Peter Orr Securities of Atlanta, underwriters for the expansion bond issue, the proposed issue will be privately placed with a financial institution. The purchaser is the same institution which purchased the \$2,090,000 refunding issue ("the Prior Bonds").

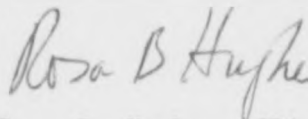
We reviewed the purchase commitment agreement dated November 20, 1986, signed by Massachusetts Financial Services Company and accepted by Peter Orr Securities, Inc. which states "We hereby indicate our commitment to cause an entity managed by us to purchase the above-referenced bonds (the "Bonds") upon satisfaction of the (certain customary) conditions..." Satisfaction of the specified conditions is assumed.

In addition, the new issue will be secured by a \$300,000 working capital agreement from Richard Hills, president and principal stockholder, to the corporation and assigned to the bond trustee. The term sheet provisions which are incorporated into the purchase commitment state, "Richard W. Hills, Jr. (the Guarantor)" shall guaranty completion of construction. Furthermore, the Guaranty pertaining to the Prior Bonds shall be amended to apply to the Prior Bonds and the Bonds and, therefore, be increased to \$500,000."

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Mr. William A. McInnis
Page Eight
December 10, 1986

8. Based upon discussions with bond counsel, the bond underwriter, and Joan DiMarco, CPA, the partner in charge of preparing the financial feasibility study and upon our review of the audited financial statements, the feasibility study, and the bond purchase commitment cited above, we see no reason to disapprove the proposed expansion bond issue.



Rosa B. Hughes, CPA
Audit Manager
Office of the State Auditor

RBH/dc

EXHIBIT
NOV 5 1986 NO. 20
STATE BUDGET & CONTROL BOARD

04833

State of South Carolina

NOV 14 1986



EXHIBIT

NOV 5 1986

NO. 20

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333

COLUMBIA

29211

(803) 758-8406

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

November 13, 1986

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Hospital Revenue Bond Issue - Greenville County - \$26,000,000
(Chestnut Hill Mental Health Center, Inc.)

1. The proposed issue of \$6,000,000 was intended to pay the costs of constructing and equipping an addition to the hospital facilities and to provide funds to permit advance refunding of \$2,100,000 outstanding Greenville County First Mortgage Hospital Revenue Bonds (Series 1981).

Because the Series 1981 bond indenture requires redemption to occur on an interest payment date and to take advantage of tax law provisions expiring December 31, 1986, the refunding bonds must be issued by December 1st, the last interest payment date in 1986. Therefore, the Center has elected to split the proposed issue, proceed with the refunding issue immediately, and defer action on the \$3,100,000 expansion issue until December.

2. The proposed issue is intended to provide funds to permit an advance refunding of \$2,090,000, principal amount, Series 1981 Revenue Bonds, currently outstanding, to establish a debt service reserve fund, and to pay the bond issue costs.
3. We reviewed audited financial statements of the Center for the years ended June 30, 1986, 1985, and 1984. The statements for the years ended in 1986 and 1985 were examined by G. R. Rish & Company, Lexington, South Carolina, whose opinions on the statements were unqualified. The statements for the year ending in 1984 were examined by Rovner, Shaw, Munaf0 & Dalton, Greenville, South Carolina, whose opinion was also unqualified.

04834

STATE BUDGET & CONTROL BOARD

EARLE E. MORRIS, JR.

COMPTROLLER GENERAL

REMBERT C. DENNIS

CHAIRMAN,

SENATE FINANCE COMMITTEE

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

TOM C. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE
WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

EXHIBIT

NOV 5 1986 NO. 20

Mr. William A. McInnis
Page Two
November 13, 1986

STATE BUDGET & CONTROL BOARD

4. The Series 1981 currently by outstanding are composed of the following:

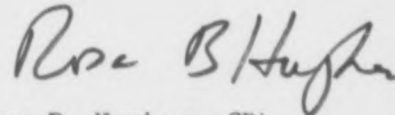
Series Bonds	12% - 15.5%	\$ 275,000
Term Bond	16%	<u>1,815,000</u>
		<u>\$2,090,000</u>

5. Per discussions with Paul Bolster, Esquire, of the Alston Bird lawfirm of Atlanta, bond counsel for the refunding issue, and Gregory Grove of Peter Orr Securities of Atlanta, underwriters for the refunding issue, the proposed issue will be privately placed with a financial institution and will carry an interest rate of 10.125%.

Although the principal outstanding will remain the same, \$2,090,000, the considerably lower interest rate is expected to result in \$120,000 annual interest savings.

In addition, the refunding issue will be secured by a \$200,000 working capital agreement from Richard Hills, president and principal stockholder, to the corporation and assigned to the bond trustee.

6. Based upon discussions with bond counsel and the bond underwriter and upon review of the audited financial statements cited above, we see no reason to disapprove the proposed bond issue.



Rosa B. Hughes, CPA
Audit Manager
Office of the State Auditor

RBH/dc

04835

EXHIBIT

STATE OF SOUTH CAROLINA)

Chestnut Hill

NOV 5 1986

NO. 20

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 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 2 p.m., on Wednesday, November 5, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of: Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

5

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 the Board in my custody as its Secretary.

December 10, 1986

William A. McInnis

04836

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$3,095,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC. PROJECT) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED,

EXHIBIT

NOV 5 1985 NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) 1986 in the aggregate principal amount of not to exceed \$3,095,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Chestnut Hill Mental Health Center, Inc. (the "Hospital") for the purpose of defraying the cost of constructing and equipping an addition to its hospital facility (the "Project"); and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts of the Hospital, including payments under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of the revenues and receipts and by the lien of an Indenture between the County and the trustee or holders of the Bonds; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on October 7, 1986;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition and, on the basis of such investigation, it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein and that, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act; and

(c) The Project, subject of the Petition of the Governing Board, is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

04837

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital to defray the cost of the Project, to make the Project available to the Hospital, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Hospital, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project. The Bonds issued to refund the Series 1981 Bonds may be issued as a separate series of Bonds from the Bonds used to finance the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

04838

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) in the original principal amount of not exceeding \$3,095,000 (the "Bonds"), is for the purpose of loaning the proceeds of the Bonds to Chestnut Hill Mental Health Center, Inc. to defray the costs of constructing and equipping an addition to its hospital facility (the "Project"), located in Greenville County. The Bonds are to be payable solely from the revenues and receipts derived under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of revenues and receipts under the Agreement and by the lien of an Indenture between the County and the trustee or holders of the Bonds.

The South Carolina Department of Health and Environmental Control has issued its certificate of need dated August 1, 1986, with respect to the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the action of the State Budget and Control Board by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, SECRETARY

Dated: _____, 1986

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

04839

EXHIBIT

NOV 5 1986

NO. 20

STATE OF SOUTH CAROLINA)

Chestnut Hill Mental Health Center

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 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 2 p.m., on Wednesday, November 5, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

5

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 the Board in my custody as its Secretary.

November 14, 1986

William A. McInnis

04840

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$2,100,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE REFUNDING BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC. PROJECT) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Hospital Facilities Revenue Refunding Bonds (Chestnut Hill Mental Health Center, Inc. Project) 1986 in the aggregate principal amount of not to exceed \$2,100,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Chestnut Hill Mental Health Center, Inc. (the "Hospital") for the purpose of refunding the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"); and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts of the Hospital, including payments under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of the revenues and receipts and by the lien of an Indenture between the County and the trustee or holders of the Bonds; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on October 7, 1986;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition and, on the basis of such investigation, it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein and that, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act; and

(c) The Project and the refunding of the Series 1981 Bonds, subject of the Petition of the Governing Board, is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

04841

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital to defray the cost of the Project, to make the Project available to the Hospital, to refund the Series 1981 Bonds, and to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Hospital, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project. The Bonds issued to refund the Series 1981 Bonds may be issued as a separate series of Bonds from the Bonds used to finance the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

04842

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina.

The issuance by Greenville County of its Hospital Facilities Revenue Refunding Bonds (Chestnut Hill Mental Health Center, Inc. Project) in the original principal amount of not exceeding \$2,100,000 (the "Bonds"), is for the purpose of loaning the proceeds of the Bonds to Chestnut Hill Mental Health Center, Inc. to refund the outstanding amount of the \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds, Series 1981 (Chestnut Hill Mental Health Center, Inc.), located in Greenville County. The Bonds are to be payable solely from the revenues and receipts derived under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of revenues and receipts under the Agreement and by the lien of an Indenture between the County and the trustee or holders of the Bonds.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the action of the State Budget and Control Board by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, SECRETARY

Dated: November ____, 1986

04843

AS SUBMITTED
ORIGINALLY.
ISSUE SPLIT INTO
A \$2.1 MILLION REFUNDING ISSUE
AND A \$3,095,000
EXPANSION
ISSUE

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$6,000,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC. PROJECT) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) 1986 in the aggregate principal amount of not exceeding \$6,000,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Chestnut Hill Mental Health Center, Inc. (the "Hospital") for the purpose of defraying the cost of constructing and equipping an addition to its hospital facility (the "Project") and refunding the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"); and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts of the Hospital, including payments under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of the revenues and receipts and by the lien of an Indenture between the County and the trustee or holders of the Bonds; and

WHEREAS, the County has submitted with the a copy of a resolution and petition adopted by the County on October 7, 1986;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

04844

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to the Act; and

(c) The Project and the refunding of the Series 1981 Bonds, subject of the Petition of the Governing Board, is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital to defray the cost of the Project, to make the Project available to the Hospital, to refund the Series 1981 Bonds, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Hospital, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project. The Bonds issued to refund the Series 1981 Bonds may be issued as a separate series of Bonds from the Bonds used to finance the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) in the original principal amount of not exceeding \$6,000,000 (the "Bonds"), is for the purpose of loaning the proceeds of the Bonds to Chestnut Hill Mental Health Center, Inc. to defray the costs of constructing and equipping an addition to its hospital facility (the "Project") and refunding the outstanding amount of the \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds, Series 1981 (Chestnut Hill Mental Health Center, Inc.), located in Greenville County. The Bonds are to be payable solely from the revenues and receipts derived under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of revenues and receipts under the Agreement and by the lien of an Indenture between the County and the trustee or holders of the Bonds.

The South Carolina Department of Health and Environmental Control has issued its certificate of need dated August 1, 1986, with respect to the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board, the County Council of Greenville County, or the Department of Health and Environmental Control of South Carolina, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: November 5, 1986.

04846

EXHIBIT

NOV 5 1986

NO. 20

State of South Carolina

State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Greenville County
\$6,000,000
Hospital Revenue Bonds
(Chestnut Hill Mental Health Center, Inc., Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04847

EXHIBIT

LAW OFFICES

ALSTON & BIRD

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1200 CITIZENS & SOUTHERN NATIONAL BANK BUILDING
35 BROAD STREET
ATLANTA, GEORGIA 30335
404-586-1500

DIRECT DIAL NUMBER

NOV 5 1986

NO. 20

DEC 16 1986

STATE BUDGET & CONTROL BOARD

GALLERIA OFFICES
100 GALLERIA PARKWAY
SUITE 1200
ATLANTA, GEORGIA 30339
404-955-8400

CABLE: AMGRAM ATLANTA
TELEX: 54-2996

(404) 586-1610

December 11, 1986

Mr. Bill McInnis
Budget and Control Board
State of South Carolina
600 Wade Hampton State Office Building
Columbia, South Carolina 29201

Re: \$3,095,000 Greenville County, South Carolina First
Mortgage Bonds (Chesnut Hill Mental Health Center,
Inc. Project) Series 1986 and Series 1986-A

Dear Mr. McInnis:

We are acting as bond counsel for Greenville County in its issuance of bonds for the expansion of facilities owned and operated by Chesnut Hill Mental Health Center, Inc.

This letter is to confirm our earlier telephone conversation regarding our client's desire and need to have two bond issues, rather than the one indicated in the Greenville County Council resolution of application passed and forwarded to you on October 7, 1986. We requested authority, which you graciously granted, to issue the Refunding Bonds in November, and this allowed us to meet the December 1, 1986 deadline. It was necessary to delay the issue for project improvements until December because a feasibility study by Laventhol & Horwath was not completed in time. We feel that dividing the resolution of October 7, 1986 into two parts was within the meaning and the intent of South Carolina law.

We greatly appreciate your cooperation with us in this matter.

Sincerely,



PAUL BOLSTER

PB/efh

cc: Mr. Dick Hill
Chesnut Hill Mental Health Center, Inc.

04848

EXHIBIT

NOV 5 1986 NO. 20

State of South Carolina

State Budget and Control Board

BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

December 18, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Greenville County
c/o Mr. Paul Bolster
Alston & Bird
1200 Citizens & Southern National Bank Bldg.
35 Broad Street
Atlanta, GA 30335

RE: Issue of \$3,095,000 Greenville County, South Carolina
First Mortgage Bonds
(Chestnut Hill Mental Health Center, Inc., Project)
Issue Date Projected By Issuing Authority: December 22, 1986
Allocation Expiration Date: December 31, 1986
Issue Amount Certificate Date: December 17, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

04849

LAW OFFICES

ALSTON & BIRD

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1200 CITIZENS & SOUTHERN NATIONAL BANK BUILDING
35 BROAD STREET
ATLANTA, GEORGIA 30335
404 586-1500

DIRECT DIAL NUMBER

(404) 586-1610

EXHIBIT

NOV 5 1986

NO. 20

STATE BUDGET & CONTROL BOARD

GALLERIA OFFICES
100 GALLERIA PARKWAY
SUITE 1200
ATLANTA, GEORGIA 30339
404-955-8400

CABLE: AMGRAM ATLANTA
TELEX: 54-2996

December 17, 1986

Mr. Bill McInnis
Budget and Control Board
State of South Carolina
600 Wade Hampton State Office Building
Columbia, South Carolina 29201

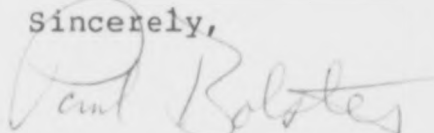
Re: \$3,095,000 Greenville County, South Carolina
First Mortgage Bonds (Chesnut Hill Mental Health
Center, Inc. Project) Series 1986-B

Dear Mr. McInnis:

I am pleased to enclose herewith the Certificate of Greenville County certifying that the amount of the referenced issue will be \$3,095,000 and that on December 16, 1986, the bond ordinance was approved for issue.

This issue scheduled for closing on December 22, 1986.

Sincerely,



PAUL BOLSTER

PB/efh

Enclosure

04850



County of Greenville

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

December 16, 1986

CERTIFICATE OF GREENVILLE COUNTY


William A. McInnis
State Budget and Control Board
State of South Carolina
Box 12444
Columbia, SC 29211

RE: \$3,095,000 Greenville County, SC
First Mortgage Revenue Bonds
(Chestnut Hill Mental Health
Center, Inc.) Series 1986-B

The Budget and Control Board, in a certificate dated November 5, 1986, made a tentative allocation of \$6,000,000 of the State ceiling to the above-captioned bond issue. On November 25, our bond counsel, Alston and Byrd, of Atlanta, Georgia, wrote the Board a letter indicating that only \$3,095,000 of the allocation would be needed for this issue. We now certify that the exact amount of the issue will be \$3,095,000 and that we have, on December 16, 1986, approved a bond ordinance for the issue.

We request that the Board issue a certificate which will make the ceiling allocation final.

This issue is scheduled for closing December 22, 1986.



Paul Greer, Chairman,
Greenville County Council

pg

04851

(\$3,095,000)

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING ~~\$6,000,000~~ PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC. PROJECT) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) 1986 in the aggregate principal amount of not exceeding ~~\$6,000,000~~ (the "Bonds"); and

\$3,095,000

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Chestnut Hill Mental Health Center, Inc. (the "Hospital") for the purpose of defraying the cost of constructing and equipping an addition to its hospital facility (the "Project"); ~~and refunding the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"),~~ and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts of the Hospital, including payments under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of the revenues and receipts and by the lien of an Indenture between the County and the trustee or holders of the Bonds; and

WHEREAS, the County has submitted with the a copy of a resolution and petition adopted by the County on October 7, 1986;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

04852

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to the Act; and

(c) The Project, ~~and the refunding of the Series 1981 Bonds,~~ subject of the Petition of the Governing Board, is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital to defray the cost of the Project, to make the Project available to the Hospital, ~~to refund the Series 1981 Bonds,~~ to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Hospital, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project. The Bonds issued to refund the Series 1981 Bonds may be issued as a separate series of Bonds from the Bonds used to finance the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

73,095,000
The issuance by Greenville County of its Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc. Project) in the original principal amount of not exceeding ~~\$6,000,000~~ (the "Bonds"), is for the purpose of loaning the proceeds of the Bonds to Chestnut Hill Mental Health Center, Inc. to defray the costs of constructing and equipping an addition to its hospital facility (the "Project"), ~~and refunding the outstanding amount of the \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds, Series 1981 (Chestnut Hill Mental Health Center, Inc.), located in Greenville County.~~ The Bonds are to be payable solely from the revenues and receipts derived under a Financing Agreement between the County and the Hospital (the "Agreement") and will be secured by an assignment of revenues and receipts under the Agreement and by the lien of an Indenture between the County and the trustee or holders of the Bonds.

The South Carolina Department of Health and Environmental Control has issued its certificate of need dated August 1, 1986, with respect to the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board, the County Council of Greenville County, or the Department of Health and Environmental Control of South Carolina, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: ~~November 1, 1986~~, 1986.

04854

EXHIBIT

STATE OF SOUTH CAROLINA)
)
GREENVILLE COUNTY)

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

This Petition of Greenville County, South Carolina (the "County"), pursuant to Title 44, Chapter 7, Code of Laws of South Carolina (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Greenville County is the governing body of the County and as such constitutes a "County Board" as referred to in the Act with respect to hospital facilities located in the County.

2. The Act, among other things, empowers the County, functioning through its County Council (the "County Board"), subject to obtaining the approval of the State Budget and Control Board (the "State Board"), pursuant to Section 44-7-1590 of the Act and from the Department of Health and Environmental Control (the "Department") required by Section 44-7-1590 of the Act, to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds; to enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the County or its assignee to meet the payments that shall become due on the bonds, including terms and conditions relative to the acquisition and use of hospital facilities and the issuance of bonds; to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; to issue bonds to refund outstanding bonds, mortgages or advances heretofore or hereafter issued, made or given for the cost of hospital facilities; and make the proceeds of any bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement.

3. The County Board has agreed with Chestnut Hill Mental Health Center, Inc., a corporation organized and existing under the laws of the State of South Carolina (the "Hospital"), having hospital facilities as defined in the Act in the County, that the County Board will undertake to finance the acquisition, construction and equipping of new hospital facilities as defined in the Act and to refund the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"),

through the issuance of Hospital Facilities Revenue Bonds pursuant to the Act. In this connection the County Board has agreed to issue not exceeding \$8,500,000 Hospital Facilities Revenue Bonds of the County pursuant to the Act and loan the proceeds thereof to the Hospital in order to finance the acquisition, construction and equipping of hospital facilities and to refund the outstanding Series 1981 Bonds.

4. The County Board has been advised by the Hospital that the cost of acquiring, constructing and equipping the hospital facilities and refunding the Series 1981 Bonds will be not exceeding \$8,500,000; that, therefore, in order to defray the cost of the hospital facilities, including the costs and charges incident to the issuance and sale of the bonds hereinafter described and refunding the outstanding Series 1981 Bonds, it will be necessary that the County Board issue not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) Greenville County, South Carolina, Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1986 (the "Series 1986 Bonds").

5. The County Board has found and determined that:

(a) The facilities to be acquired, constructed or refinanced are hospital facilities (the "Hospital Facilities") as defined in the Act.

(b) The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the loan agreement to be entered into between the County and the Hospital.

(c) Adequate provisions shall be made for the payment of principal of and interest on the Series 1986 Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Hospital Facilities at the expense of the Hospital.

(d) The public facilities and public services necessary for the Hospital Facilities will be made available to the general public.

(e) The issuance of the Series 1986 Bonds to construct the Hospital Facilities and to refund the Series 1981 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(f) The Hospital Facilities, the Series 1986 Bonds and any documents or agreements entered into by the County in connection therewith will not constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

6. The County Board has found and determined that there is a need for the Hospital Facilities to serve the people of the County and to make accessible modern and efficient Hospital Facilities at the lowest possible expense to those utilizing such Hospital Facilities.

7. Pursuant to Section 44-7-1590 of the Act, the County Board sets forth the following information:

(a) The Hospital Facilities are described on Exhibit A attached hereto.

(b) In connection with the Hospital Facilities, the Department of Health and Environmental Control has issued its Certificate of Need with respect to those Hospital Facilities requiring a certificate of need (Exhibit B).

(c) The cost of the Hospital Facilities and refunding the Series 1981 Bonds will be not exceeding \$8,500,000, including financing costs and all other expenses to be incurred in connection therewith.

(c) Copies of the Mortgage and Financing Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Mortgage and Financing Agreement between the Hospital and the County provides in general:

(A) Proceeds derived from the placement of the Series 1986 Bonds will be used and applied by the County upon request of the Hospital solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Hospital Facilities and for refunding the outstanding Series 1981 Bonds.

(B) The Hospital obligates itself: to effect the completion of the Hospital Facilities if the proceeds of the Series 1986 Bonds

prove insufficient therefor without diminution of any payments to the County required by the Mortgage and Financing Agreement; to meet the payments of principal and interest on the Series 1986 Bonds as the same become due to build up and maintain any reserves deemed by the County Board to be advisable in connection therewith; and to pay the cost of maintaining the Hospital Facilities in good repair and the cost of keeping the Hospital Facilities properly insured to the extent and in the manner provided in the Mortgage and Financing Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(ii) The proposed Indenture between the County and the purchaser of the Series 1986 Bonds, or the bond trustee, provides in general:

(A) An irrevocable pledge and assignment for the benefit of the holders of the Series 1986 Bonds of the County's right, title and interest in and to the Mortgage and Financing Agreement and all payments, receipts and revenues which the County has a right to receive under the Mortgage and Financing Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Hospital Facilities in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the Series 1986 Bonds, the provisions for exchange and transfer of the Series 1986 Bonds, the prepayment provisions, the means of disbursement, default provisions and remedies therefor and various other matters relating to the Series 1986 Bonds.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

7. Neither the approvals granted in connection with the Series 1986 Bonds nor the request for an allocation granted by the State Budget and Control Board have been made


in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County respectfully requests that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Hospital Facilities are intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Hospital Facilities and the execution and delivery of the Series 1986 Bonds by the County pursuant to the Act to defray the cost of the Hospital Facilities and to refund the outstanding Series 1981 Bonds (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the Series 1986 Bonds such portion of the state ceiling as established by the Tax Reform Act of 1986 as is necessary for the issuance of the Series 1986 Bonds, and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

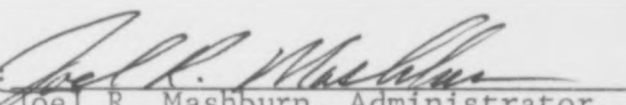
Respectfully submitted,

GREENVILLE COUNTY, SOUTH CAROLINA

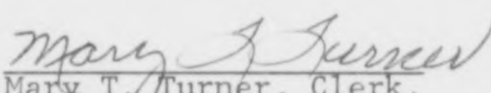
By:


Paul Greer, Chairman, County
Council of Greenville County,
South Carolina

By:


Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:


Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

Dated: October 7, 1986.

EXHIBIT A

Description of Hospital Facilities (Chestnut Hill Mental Health Center, Inc.)

Chestnut Hill Mental Health Center, Inc. ("Chestnut Hill") is proposing to construct a 44-bed Residential Treatment Center as an addition to its present facility. This center will serve the special needs of emotionally and behaviorally impaired youth age 13 and over. On August 1, 1986, Chestnut Hill received a Certificate of Need (#8686) from the South Carolina Department of Health and Environmental Control to build the proposed Residential Treatment Center.

The Residential Treatment Center will be unique in South Carolina, as there are no beds licensed in the State to serve this population. South Carolina adolescents are currently being sent out of state, as far away as Texas, Rhode Island and North Dakota, to receive this continuum of care.

It is the intent of Chestnut Hill to offer such a program here in South Carolina to help keep these troubled teens in closer proximity to their homes and loved ones, while avoiding the expense of out-of-state placement.

An independent study assessing the service needs of seriously emotionally impaired children was recently prepared for the South Carolina Department of Social Services. This report recommends the State seek to contract for up to twelve of the proposed Chestnut Hill beds at a preferred provider rate. Negotiations to develop such a contract with the Department of Social Services have been initiated.

The Residential Treatment Center proposed by Chestnut Hill will include 44 beds, an accredited school, gymnasium and swimming pool. Staffing will include child psychiatry services and 24-hour nursing.

In addition, plans call for developing recently acquired property into a patient recreational area with a pond. Also included are landscaping, signage, lighting improvements and other minor, necessary renovations to the existing facilities of Chestnut Hill.

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR QUALITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.
6. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
7. EXTREMELY DARK COLORED DOCUMENTS THAT LACK CONTRAST BETWEEN WRITING AND BACKGROUND.
8. THE NUMBERED PAGES OF THESE FILMS MAY APPEAR TO BE MISSING, OR NUMBERED WRONG.

South Carolina Department of Health
and Environmental Control



CERTIFICATE OF NEED

THIS Certificate of Need is issued to : Chestnut Hills Mental Health
Center, Inc., Travelers Rest, SC; Mr. Richard W. Hills, Jr., President-Agent;
Addition of 44 residential treatment center beds (not psychiatric hospital beds)
and a gymnasium.

For Project No. SC-86-86 in accordance with the Code of Laws
of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the recommendation of the:

S. C. Appalachian Health Council

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto
set our hands and the seal of the
Department of Health and Environmental Control this the 1st
day of August, 1986



Albert N. White
Director, Division of Planning & Certification of Need

Leon B. Fishman
Director, Bureau of Health Facilities & Services
Development

Richard D. May
Deputy Commissioner, Health Facilities & Services
Regulations

04861

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL FACILITIES REVENUE BONDS (CHESTNUT HILL MENTAL HEALTH CENTER, INC.) 1986, PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,500,000.

EXHIBIT

NOV 5 1986 NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, Greenville County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 44, Chapter 7 (1976), as amended (the "Act"), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities and to refinance or to refund outstanding bonds, obligations, mortgages or advances issued, made or given for the cost of hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement; and

WHEREAS, the County is further authorized to pledge or assign any money, rents, charges, or fees or other revenues, including any proceeds of insurance or condemnation awards pursuant to any loan agreement to the payment of the bonds issued pursuant to such loan agreement; and

WHEREAS, Chestnut Hill Mental Health Center, Inc., a corporation organized and existing under the laws of the State of South Carolina (the "Hospital"), operates Hospital Facilities (as defined in the Act) in the County; and

WHEREAS, the County proposes to enter into a Loan Agreement (the "Agreement") with the Hospital in order to implement the public purposes enumerated in the Act and to issue its not exceeding \$8,500,000 aggregate principal

amount Hospital Facilities Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1986 (the "Series 1986 Bonds"), under and pursuant to the Act and the Indenture between the County and the purchaser(s) or the trustee of the Series 1986 Bonds (the "Indenture") and to make the proceeds of the Series 1986 Bonds available to the Hospital by way of a loan pursuant to a loan agreement, for the purpose of defraying the cost of providing hospital facilities and refunding the outstanding \$2,100,000 Greenville County, South Carolina, First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Series 1981 Bonds"); and

WHEREAS, the County and a financial institution to be approved by the County Council propose to enter into the Indenture providing for the issuance of the Series 1986 Bonds, the proceeds of which Bonds will be made available to the Hospital by way of a loan for the purpose of defraying the cost of providing hospital facilities in the County and refunding the outstanding Series 1981 Bonds; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Greenville County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The County Council constitutes the "County Board" as that term is defined in the Act.

(b) The facilities described on Exhibit A attached hereto to be acquired or constructed are "Hospital Facilities" as defined in the Act.

(c) The County Council has determined that there is a need for the Hospital Facilities in the County to serve the people of the County and to make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

(d) The Hospital is a corporation with established credit and is financially responsible and capable of fulfilling its obligations under the Agreement, including the obligation to make the payments required thereunder, to operate, repair and maintain at its own expense the Hospital Facilities and to discharge such other responsibilities as may be imposed under the Agreement.

(e) Adequate provisions shall be made for the payment of principal and interest on the Series 1986 Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Hospital Facilities at the expense of the Hospital.

(f) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

(g) The issuance of the Series 1986 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(h) Neither the Hospital Facilities, the Series 1986 Bonds nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

(i) The issuance of the Series 1986 Bonds in the aggregate principal amount of not exceeding \$8,500,000 will be required in order to loan the proceeds thereof to the Hospital for the purpose of defraying the cost of providing certain Hospital Facilities to be located in the County and refunding the Series 1981 Bonds.

(j) Neither the approvals granted in connection with the Series 1986 Bonds nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County of a Petition requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council and the Administrator of the County be and are hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to attest the same and thereafter to submit an executed copy of this resolution to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved October 7, 1986.

GREENVILLE COUNTY, SOUTH CAROLINA

By:

Paul Greer
Paul Greer, Chairman, County
Council of Greenville County,
South Carolina

By:

Joel R. Mashburn
Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:

Mary T. Turner
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

EXHIBIT A

Description of Hospital Facilities (Chestnut Hill Mental Health Center, Inc.)

Chestnut Hill Mental Health Center, Inc. ("Chestnut Hill") is proposing to construct a 44-bed Residential Treatment Center as an addition to its present facility. This center will serve the special needs of emotionally and behaviorally impaired youth age 13 and over. On August 1, 1986, Chestnut Hill received a Certificate of Need (#8686) from the South Carolina Department of Health and Environmental Control to build the proposed Residential Treatment Center.

The Residential Treatment Center will be unique in South Carolina, as there are no beds licensed in the State to serve this population. South Carolina adolescents are currently being sent out of state, as far away as Texas, Rhode Island and North Dakota, to receive this continuum of care.

It is the intent of Chestnut Hill to offer such a program here in South Carolina to help keep these troubled teens in closer proximity to their homes and loved ones, while avoiding the expense of out-of-state placement.

An independent study assessing the service needs of seriously emotionally impaired children was recently prepared for the South Carolina Department of Social Services. This report recommends the State seek to contract for up to twelve of the proposed Chestnut Hill beds at a preferred provider rate. Negotiations to develop such a contract with the Department of Social Services have been initiated.

The Residential Treatment Center proposed by Chestnut Hill will include 44 beds, an accredited school, gymnasium and swimming pool. Staffing will include child psychiatry services and 24-hour nursing.

In addition, plans call for developing recently acquired property into a patient recreational area with a pond. Also included are landscaping, signage, lighting improvements and other minor, necessary renovations to the existing facilities of Chestnut Hill.

04866

EXHIBIT

NOV 5 1986 NO. 20

A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA AND CHESTNUT HILL MENTAL HEALTH CENTER, INC. RELATING TO THE ISSUANCE BY GREENVILLE COUNTY OF HOSPITAL REVENUE BONDS PURSUANT TO TITLE 44, CHAPTER 7, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, Chestnut Hill Mental Health Center, Inc., (hereinafter referred to as the "Hospital"), has requested the County Council for Greenville County (the "County Council") to exercise the powers vested in it by Title 44, Chapter 7, Code of Laws of South Carolina, 1976, as amended (the "Act") and make provision for issuance of Greenville County, South Carolina, Hospital Revenue Bonds whose proceeds would be made available to the Hospital for the sole and exclusive purpose of financing costs and expenses incurred and to be incurred in connection with (a) the construction and equipping of an addition to its hospital facility, and (b) the refunding of its \$2,100,000 Greenville County, South Carolina First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981; and

WHEREAS, after due consideration, County Council has determined to grant such assistance and to that end has agreed to enter into a contract with the Hospital making provision for the issuance of bonds pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED by the County Council, in meeting duly assembled:

1. That the County, subject to the approval of the State Budget and Control Board and the provisions of Title 44, Chapter 7, Code of Laws of South Carolina, 1976, as amended, hereby approves the undertaking of this project to issue its Greenville County, South Carolina, Hospital Revenue Bonds in an aggregate principal amount not exceeding

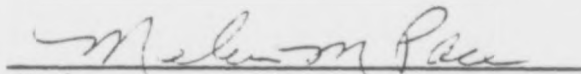
Eight Million Five Hundred Thousand Dollars (\$8,500,000.00), either as a single issue or multiple issues, to finance the cost of the proposed undertaking of the Hospital.

2. That an agreement to implement the action to be taken pursuant to paragraph 1 above in substantially the form presented to this meeting and attached hereto, (but with such changes, if any, as the officers herein authorized to execute the same shall approve, their approval to be evidenced by the execution thereof) shall be executed and delivered on behalf of the County by the County Administrator.
3. The County Administrator shall take any and all further action as may become necessary to effectuate the action herewith taken and the agreement herein authorized.
4. This Resolution shall take effect immediately.
5. It is the intention of the parties hereto that this Resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of hospital revenue bonds.

DONE, RATIFIED AND ENACTED THIS 21st DAY OF August, 1984.

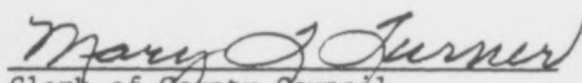
COUNTY COUNCIL OF GREENVILLE COUNTY

(SEAL)


Chairman


County Administrator

ATTEST:


Clerk of County Council
Greenville County, South Carolina

INDUCEMENT CONTRACT

THIS CONTRACT made and entered into by and between Greenville County, a body politic and a political subdivision of the State of South Carolina (the "County"), and Chestnut Hill Mental Health Center, Inc. (hereinafter referred to as the "Hospital").

W I T N E S S E T H

ARTICLE I

RECITATION OF FACTS

Section 1.01

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are recited herewith:

1. The County is a body politic and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 44, Chapter 7, Code of Laws of South Carolina, 1976 (the "Act"), as amended, to provide secured financing, to acquire, enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the health care of the State will be promoted.

2. The Hospital proposes to (a) construct and equip an addition to its hospital facility, and (b) refund its \$2,100,000 Greenville County, South Carolina First Mortgage Hospital Revenue Bonds (Chestnut Hill Mental Health Center, Inc.), Series 1981 (the "Project"). The Project will result in significant capital investment in the County, will result in cost savings to

the Hospital, will provide employment for approximately one hundred (100) additional people, and an additional 88 psychiatric hospital beds in the County.

3. The Hospital has advised the County that its contemplated program would be aided by the availability of assistance which the County might render through the sale of Greenville County, South Carolina, Hospital Revenue Bonds pursuant to the Act, whereby the County would finance the construction and equipping of the Project and the refunding of its prior bonds.

4. The County has given due consideration to all of the proposals and requests of the Hospital and has agreed to endeavor to effect the issuance of the Bonds pursuant to the Act (as such term is defined in the Act), at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01

That it will acquire the Project, or as an alternative, provide secured financing for the Hospital to purchase and acquire said Project referred to in Paragraph number 2 of Section 1.01.

Section 2.02

That it will authorize the issuance of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) Greenville County, South Carolina, Hospital Revenue Bonds, (the "Bonds"), either as a single issue or multiple issues, and in the form of notes or bonds, at such time as the Hospital may request the County to do so.

Section 2.03

That it will permit the Hospital to arrange for the sale of the Bonds on terms mutually satisfactory to the County and the Hospital and if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the execution and delivery of a loan agreement or other instruments to accomplish the secured financing spoken of in Section 2.06 and the issuance of the Bonds.

Section 2.04

That if the Bonds shall be sold, it will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in connection with the issuance of the Bonds and the acquisition and equipping of the Project, including the repayment of any funds advanced or loans incurred by the Hospital for such purposes.

Section 2.05

That, if requested by the Hospital, prior to the issuance of the Bonds, it will enter into an Indenture with a trustee bank to be selected by the Hospital pursuant to which the Bonds will be issued. Such Indenture, if entered into, shall be substantially in the form used in connection with the issuance of other South Carolina Hospital Revenue Bonds and will constitute a lien on the Project to secure the payment of the Bonds. As an alternative, if requested by the Hospital, the County will execute a Loan Agreement, as that term is defined in the Act, properly secured.

Section 2.06

That simultaneously with the issuance of the Bonds, if title is passed to the County, the County will lease the Project to the Hospital at a rental

which will provide the County with sums required to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable; and when the Bonds have been paid, the County will convey the Project to the Hospital for \$1.00. As an alternative method of financing, the County will provide for the loan of the proceeds of the Bonds to the Hospital. Such loan will be properly secured in the manner provided in the Act.
Section 2.07

That it will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

Section 2.08

If requested by the Hospital and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of Bond Anticipation Notes, pursuant to Title 44, Chapter 7, 1976 Code of Laws of South Carolina, as amended, in anticipation of the issuance of the Bonds.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE HOSPITAL

The Hospital agrees as follows:

Section 3.01

That the County will have no obligation to find a purchaser of the Bonds and the Hospital will endeavor to market the Bonds on behalf of the County to the extent required to finance the cost of issuing the Bonds, the acquisition or construction and equipping of the Project, and the refunding of its bonds.

Section 3.02

If the plan proceeds as contemplated, the Industry further agrees to execute a Loan Agreement providing for (without limitation) a Note and proper security.

Furthermore, the Hospital will hold the County harmless from all pecuniary liability and reimburse it for all expenses to which it might be put in the fulfillment of its obligation under this Contract and in the implementation of its terms and provisions and will perform, from time to time, such further acts, adopt such further proceedings, execute and deliver such further instruments and take such further actions as may be required to faithfully implement its undertakings and consummate the proposed financing.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01

All commitments of the County under Title 44, Chapter 7 hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Contract shall constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02

The parties hereto agree that the Hospital may proceed with the acquisition, construction and installation of the Project prior to the issuance and delivery of the Bonds.

Section 4.03

All commitments of the County and the Hospital hereunder are subject to the condition that the County and the Hospital does agree on mutually

acceptable terms and conditions of all documents or instruments whose execution and delivery are contemplated by provisions hereof and other arrangements that the County and the Hospital do further agree on concerning the Project. The Hospital shall be empowered to assign its interest hereunder to such other entity as it may choose subject to the provisions hereof. In the event that the parties choose not to finance the Project as herein provided, this Agreement shall become void.

Section 4.04

It is the intention of the parties hereto that this Contract shall constitute an official action on the part of the County within the meaning of the applicable regulations of the Internal Revenue Service relating to the issuance of hospital revenue bonds.

South Carolina Department of Health and Environmental Control



CERTIFICATE OF NEED

EXHIBIT

NOV 5 1986

NO. 20

STATE BUDGET & CONTROL BOARD

THIS Certificate of Need is issued to : Chestnut Hills Mental Health

Center, Inc., Travelers Rest, SC; Mr. Richard W. Hills, Jr., President-Agent;

Addition of 44 residential treatment center beds (not psychiatric hospital beds)

and a gymnasium.

For Project No. SC-86-86 in accordance with the Code of Laws
of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the recommendation of the:

S. C. Appalachian Health Council

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto
set our hands and the seal of the
Department of Health and Environmental Control this the 1st
day of August, 1986

Albert N. White

Director, Division of Planning & Certification of Need

Leo B. Fishman

Director, Bureau of Health Facilities & Services
Development

Richard D. May

Deputy Commissioner, Health Facilities & Services
Regulations



04876

RECEIVED

S. C. ATTORNEY GENERAL

HOSPITAL REVENUE BOND PROJECT

DATE 11-3-86

Chestnut Hill Mental Health Center, Inc.

EXHIBIT

NOV 5 1986 NO. 20

GOVERNING BOARD

STATE BUDGET & CONTROL BOARD

County Council of Greenville County

BOND COUNSEL

McNair Law Firm, P.A.

Greenville, SC 29601

FINDINGS BY THE COUNTY COUNCIL (§ 44-7-1480)

The County Council has made the following findings:

☒ (a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

☒ (b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including:

☒ the obligations to make the payments required thereunder;

04877

✓ to operate, repair and maintain at its own expense the hospital facilities; and

✓ to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for:

✓ the payment of the principal of and the interest on the bonds and any necessary reserves therefor; and

✓ for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

✓ (d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

APPROVAL BY DHEC (§ 44-7-1490)

✓ Approval from DHEC shall be obtained if required

PROVISIONS IN LOAN AGREEMENT (§ 44-7-1520)

✓ (a) The loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and

✓ (b) Each loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient:

✓ (a) to pay the principal of and interest on the bonds issues for such hospital facilities,

✓ (b) to build up and maintain any reserves deemed by the county council to be advisable in connection therewith, and

✓ (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured.

PAYMENT IN LIEU OF TAXES (§ 44-7-1530)

_____ If title to the hospital facility is in a public agency and if the public agency has a loan agreement with a for profit corporation, the loan agreement shall contain a provision requiring the hospital agency (i.e., the corporation) to make payments to the county or counties, school district(s) and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such political units.

REFUNDING OF BONDS (§ 44-7-1560)

✓ Refunding bonds shall comply with § 44-7-1560.

PETITION TO BUDGET AND CONTROL BOARD (§ 44-7-1590)

The Petition shall set forth:

- ☒ (a) A brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding so proposed;
- ☒ (b) A statement setting forth the action taken by DHEC in connection with the hospital facilities;
- ☒ (c) A reasonable estimate of the cost of the hospital facilities; and
- ☒ (d) A general summary of the terms and conditions of the proposed loan agreement.

FINDINGS BY BUDGET AND CONTROL BOARD (§ 44-7-1590)

- ☒ The proposed hospital facilities are intended to promote the purposes of this article (the Act), and
- ☒ May be reasonably anticipated to effect such result, and
- ☒ The proposed financing is economically feasible.

UNUSUAL QUESTIONS CONSIDERED:

TRANSMITTAL FORM, REVENUE BONDSDate: October 28, 1986

Submitted for BCB Meeting on:

November 5, 1986TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211**FROM:**McNair Law Firm, P.A.**Name of Law Firm**Greenville, South Carolina 29601**City, State, Zip Code**RE: ~~\$6,000,000~~ \$8,100,000**Amount of Issue**Greenville County**Issuing Authority Name**Suite 1201, NCNB Plaza**Street Address/Box Number**(803) 271-4940**Telephone Area Code and Number**Hospital Revenue Bonds**Type of Bonds or Notes****Projected Issue Date**

EXHIBIT

NO. 20

NOV 5 1986

STATE BUDGET & CONTROL BOARD

Project Name: Chestnut Hill Mental Health Center, Inc.**Project Description:**To pay the costs of constructing and equipping an addition to its Hospital Facilities,
and refunding the outstanding \$2,100,000 Greenville County, First Mortgage, 1981.**Employment as result of project:** _____**CEILING ALLOCATION REQUIRED**X Yes (\$ 6,000,000) No
Amount**REFUNDING INVOLVED**X Yes (\$ _____) No
Amount**PROJECT APPROVED PREVIOUSLY**Yes (_____) X No
Date**DOCUMENTS ENCLOSED:**

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. X Inducement Resolution or comparable preliminary approval (executed copy)
D. _____ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)

OR X Audited financial statements for three most recent years

- E. X Department of Health and Environmental Control certificate IF REQUIRED
F. X Budget and Control Board Resolution and Public Notice (original)
[Plus _____ copies for certification and return to counsel]
G. X Processing fee

Amount \$ 3,000.00Check No. 3117Payor Chestnut Hill Mental Health Center, Inc.**Bond Counsel:** Kathleen Crum McKinney

Typed Name

By:

Kathleen Crum McKinney

Signature

04881

TRANSMITTAL FORM, REVENUE BONDS

Date: October 28, 1986

Submitted for BCB Meeting on:

November 5, 1986

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

McNair Law Firm, P.A.

Name of Law Firm

Greenville, South Carolina 29601

City, State, Zip Code

Suite 1201, NCNB Plaza

Street Address/Box Number

(803) 271-4940

Telephone Area Code and Number

RE: \$6,000,000

Amount of Issue

Greenville County

Issuing Authority Name

Hospital Revenue Bonds

Type of Bonds or Notes

Projected Issue Date

EXHIBIT
NOV 5 1986
NO 20
STATE BUDGET & CONTROL BOARD

Project Name: Chestnut Hill Mental Health Center, Inc.

Project Description:

To pay the costs of constructing and equipping an addition to its Hospital Facilities, and refunding the outstanding \$2,100,000 Greenville County, First Mortgage, 1981.

Employment as result of project: _____

CEILING ALLOCATION REQUIRED

☒ Yes (\$ _____) ☐ No
Amount

REFUNDING INVOLVED

☒ Yes (\$ _____) ☐ No
Amount

PROJECT APPROVED PREVIOUSLY

☐ Yes (_____) ☒ No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☐ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)

OR ☒ Audited financial statements for three most recent years

- E. ☒ Department of Health and Environmental Control certificate IF REQUIRED
- F. ☒ Budget and Control Board Resolution and Public Notice (original)
[Plus _____ copies for certification and return to counsel]
- G. ☒ Processing fee

Amount \$ 3,000.00

Check No. 3117

Payor Chestnut Hill Mental Health Center, Inc.

Bond Counsel: Kathleen Crum McKinney

Typed Name

By:

Kathleen Crum McKinney
Signature

04882

EXHIBIT

NOV 5 1986 NO. 21

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986
REGULAR SESSION
ITEM NUMBER

12

AGENCY: Family Farm Development Authority

SUBJECT: Ceiling Allocations

Family Farm Development Authority bond attorney Daniel R. McLeod, Jr., requests that the State ceiling allocations for the following bonds be reinstated. The original allocations were approved on July 15 and expired October 13.

(a) Frank M. Senn, Sr.	\$240,000
(b) Barbara Ann Senn	\$250,000
(c) Sandra K. Senn	\$250,000

Mr. McLeod advises that the details for closing are being negotiated. He also advises that the terms and provisions relating to the issues have not changed.

Family Farm Development Authority Director of Bonds Charlie I. Crews requests that the \$190,000 ceiling allocation (approved by the Board on May 27 and which expired August 27) for the James Earle Bozard project be reinstated.

Mr. Crews advises that the only change has been the inclusion of a 12% cap on the interest rate.

BOARD ACTION REQUESTED:

Reallocate a portion of the State ceiling to the following Family Farm Development projects: (a) Frank M. Senn, Sr., \$240,000; (b) Barbara Ann Senn, \$250,000; (c) Sandra K. Senn, \$250,000; and (d) James Earle Bozard, \$190,000.

ATTACHMENTS:

McLeod October 29 letter to McInnis; Crews October 29 letter to McInnis

04883

OCT 29 1986

EXHIBIT

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

NCNB TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

NOV 5 1986

NO. 21

STATE BUDGET & CONTROL BOARD

ROBERT E. McNAIR
TERRELL L. GLENN
JAMES S. KONDURIOS
O. WAYNE CORLEY
E. MILEOD SINGLETARY
CHARLES PORTER
ROBERT W. DIBBLE, JR.
ENORY M. SNEEDEN
EDWARD H. FORGOTSON*
STEPHEN KORLAN*
RICHARD S. WOODS
RICHARD L. C. SULLIVAN
M. JOHN BOWEN, JR.
DENNIS C. THELEN*
JOHN H. LUMPKIN, JR.
JOHN W. CURRIE
SCOTT V. BARNES
M. ELIZABETH CRUM
THEODORE J. HOPKINS, JR.
DANIEL R. MILEOD, JR.
WILLIAM S. ROSE, JR.
BERNARD J. WUNDER, JR.

HUEL D. ADAMS, JR.
JAMES R. FIELDS, JR.
M. CRAIG GARNER, JR.
LAWRENCE R. HIGGINS*
BRENTON D. JEFFCOAT
ROBERT T. BOCKMAN
EDWIN W. JOHNSON II
PETER L. MURPHY
C. ALAN RUNYAN
JOHN W. FOSTER
ELIZABETH VAN DOREN GRAY
WILMOT B. IRVIN
APRIL C. LUCAS
ROBERT E. STEPP
KATHLEEN CRUM MCKINNEY
E. RUSSELL JETER, JR.
M. WILLIAM YOUNGBLOOD
CARL B. CARRUTH
JOHN W. HUNTER*
RICHARD J. MORGAN
J. SIMON FRASER
CHRISTOPHER MCG. HOLMES

DEBORAH K. OWEN*
SARA S. ROGERS
PAUL E. SULLIVAN*
DOROTHY M. HELMS
NANCY PAGE
SANDRA L. RANDLEMAN
JANE W. TRINKLEY
J. LYLES GLENN IV
CELESTE TILLER JONES
KATHERINE ELIZABETH MIMS
JOSEPH D. WALKER
NANCY R. JEFFERS
ALISON RENEE LEE
MARTHA R. MCMILLIN
GREGORY D. DELOACH
WILLIAM ASHLEY JORDAN, JR.
ELIZABETH BOWE ANDERS
WILLIAM M. MUSSER
SHARON E. CRAWLEY
T. PARKIN HUNTER
ROBERT F. McMAHAN, JR.
MARY DONNE PETERS

October 29, 1986

HAND DELIVERED

THOMAS H. BARKSDALE, JR.*
JAMES E. CARR
RALPH W. KITTLE*
JOHN H. LUMPKIN, SR.
OF COUNSEL

GREENVILLE OFFICE
SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-4940

HILTON HEAD ISLAND OFFICE
NCNB BUILDING
POPE AVENUE
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

*NOT ADMITTED IN SOUTH CAROLINA

Mr. William A. McInnis
Deputy Executive Director
South Carolina State
Budget and Control Board
618 Wade Hampton Building
Columbia, South Carolina

Re: South Carolina State Family Farm Development Authority,
Agricultural Development Bonds

Dear Mr. McInnis:

On July 15, 1986, the Budget and Control Board approved the issuance of the following bond issues and issued a Certificate of Allocation of the State Ceiling for the bonds:

1. Frank M. Senn, Sr. Project - \$250,000;
2. Barbara Ann Senn Project - \$250,000; and
3. Sandra K. Senn Project - \$250,000.

The Ceiling allocation expired on October 13, 1986. The Family Farm Development Authority has informed me that the details for closing are being negotiated. On behalf of the Family Farm Development Authority, I request that the Budget and Control Board reinstate the allocation for the above referenced bond issues until December 31, 1986.

The terms and provisions relating to the bond issue, as set forth in the authority's petition previously filed with the Board, has not changed.

04884

EXHIBIT

NOV 5 1986 NO. 21

Mr. William A. McInnis
October 29, 1986
Page 2

STATE BUDGET & CONTROL BOARD

I request that this matter be placed on the agenda for the meeting to be held on November 5. Thank you for your assistance. With kind regards, I am

Yours very truly,

McNAIR LAW FIRM, P.A.

By: Daniel R. McLeod, Jr.
Daniel R. McLeod, Jr.

DRM/nes

cc: Clyde B. Livingston

04885

OCT 29 1986

The State of South Carolina EXHIBIT



NOV 5 1986

NO. 21

STATE BUDGET & CONTROL BOARD

South Carolina State Family Farm Development Authority

Members

JOE W. KING, Chairman
MELVIN L. CRUM, Vice Chairman
ROY L. GRAHAM, JR., Secretary
J. EDWARD BROWN
JAMES G. FOODY
STEVEN P. NIVENS
STANLEY E. WASKIEWICZ
Chairman Emeritus
RAYMOND S. CAUGHMAN

P.O. Box 11735
Columbia, S.C. 29211
(803)758-5956

October 29, 1986

Ex Officio

GOVERNOR RICHARD W. RILEY
WALLACE BROWN, Designee
COMMISSIONER D. LESLIE TINDAL
HARRY BUSBEE, Designee
SENATOR WILLIAM W. DOAR
SENATOR T. ED GARRISON, Designee
REPRESENTATIVE JOHN J. SNOW, JR.
REPRESENTATIVE THOMAS N. RHOAD,
Executive Director Designee
CLYDE B. LIVINGSTON

Mr. William A. McInnis
South Carolina B&C Board
600 Wade Hampton Building
Columbia, South Carolina 29201

Dear Mr. McInnis:

I would like to request the re-allocation of \$190,000 of the bond ceiling for James Bozard. The original resolution and petition are the same except we have included a 12% cap on the interest rate.

Thanking you for your attention in this matter, I am

Sincerely,

Charlie I Crews,
Director of Bonds

04886

EXHIBIT

State of South Carolina
State Budget and Control Board

NOV 5 1986

NO. 21

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

Box 12444
Columbia
29211

STATE BUDGET & CONTROL BOARD
REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

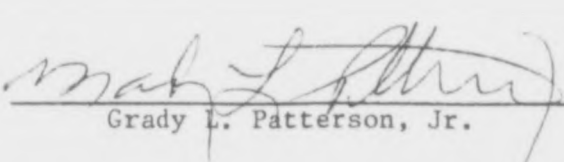
(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

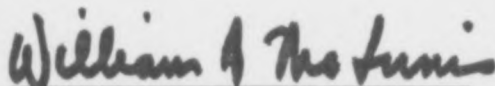
TO: Family Farm Development Authority
\$240,000
Agricultural Development Revenue Bond
(Frank M. Senn, Sr., Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

04887

EXHIBIT

State of South Carolina

NOV 5 1986

NO. 21

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

STATE BUDGET & CONTROL BOARD

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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority
\$250,000
Agricultural Development Revenue Bond
(Barbara Ann Senn Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04888

EXHIBIT

State of South Carolina

NOV 5 1986

NO. 21

State Budget and Control Board

STATE BUDGET & 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

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority
\$250,000
Agricultural Development Revenue Bond
(Sandra K. Senn Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

04889

EXHIBIT

State of South Carolina

State Budget and Control Board

NOV

5 1986

NO. 21

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

STATE BUDGET & CONTROL BOARD

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

November 5, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

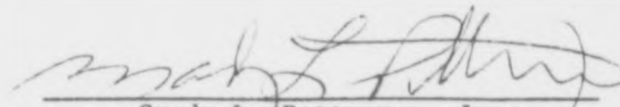
(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

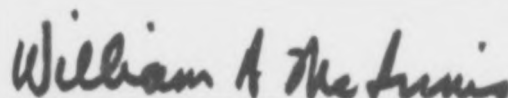
T0: Family Farm Development Authority
\$190,000
Agricultural Development Revenue Bond
(James Earl Bozard Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

04890

EXHIBIT

NOV 5 1986

NO. 22

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

13

AGENCY: College of Charleston

SUBJECT: Foreign Travel

The College of Charleston requests approval of the travel of Gary W. Harrison to Trieste, Italy during the December 6 - 14, 1986, period to present a lecture at the second autumn course on mathematical ecology at the International Center for Theoretical Physics. The total estimated cost of the travel is \$1,060 and will be paid from State funds.

BOARD ACTION REQUESTED:

Approve the travel of College of Charleston staff member Gary W. Harrison to Trieste, Italy during the December 6 - 14, 1986, period.

ATTACHMENTS:

Bolchoz October 23 memo to McInnis

04891



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

OCT 28 1986

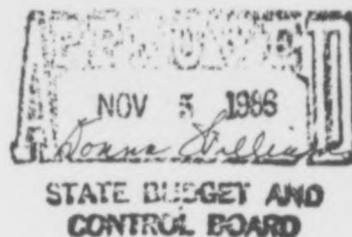
EXHIBIT

October 23, 1986 NOV 5 1986 NO. 22

TO: Mr. William McInnis
Deputy Executive Director
S.C. Budget and Control Board
618 Wade Hampton Office Building
P.O. Box 12444
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

FROM: Joseph E. Bolchoz, Jr.
Assistant Vice President
and Controller
College of Charleston



RE: Request for Foreign Travel Approval

Traveller: GARY W. HARRISON

Destination: TRIESTE, ITALY

Dates: DEC 6 DEC 14
From To

Source of Funds: STATE

Maximum Amount Allowed: \$1060.00 Est. Cost Same

Purpose: TO PRESENT A LECTURE AT THE SECOND
AUTUMN COURSE ON MATHEMATICAL ECOLOGY AT
THE INTERNATIONAL CENTER FOR THEORETICAL
PHYSICS. THE ICTP IS PROVIDING FOR MOST
OF MY SUBSISTENCE WHILE AT THE CONFERENCE

Requested on behalf of the College of Charleston by:

Joseph E. Bolchoz, Jr.

JEB, JR/ map

FOUNDED 1770

192-5510

04892

EXHIBIT

NOV 5 1986

NO. 23

STATE BUDGET AND CONTROL BOARD
MEETING OF November 5, 1986

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

EXECUTIVE SESSION

1

AGENCY: Human Resource Management

SUBJECT: Appeal of Grievance Committee Decision (DHEC)

The Division of Human Resource Management advises that the Department of Health and Environmental Control has requested authorization to appeal to the Court of Common Pleas the decision of the State Employee Grievance Committee in the Pamela Smith case.

The Division recommends that the Department not be allowed to appeal based on the Division's review of the decision and on the advice of the Attorney General's Office.

BOARD ACTION REQUESTED:

Deny a Department of Health and Environmental Control request to appeal to the Court of Common Pleas the decision of the Employee Grievance Committee in the Pamela Smith case.

ATTACHMENTS:

Agenda item worksheet and attachments

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BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

November 5, 1986

Blue Agenda

Regular Session Agenda

X Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Phyllis M. Mayes

2. Subject:

Appeal of a State Employee Grievance Committee Decision

3. Summary Background Information:

The S.C. Department of Health and Environmental Control is requesting approval to appeal to the Court of Common Pleas the decision of the State Employee Grievance Committee in the Pamela Smith appeal.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

To approve the Department of Health and Environmental Control's request.

5. What is recommendation of the Board Division involved?

The Division of Human Resource Management recommends that the Department of Health and Environmental Control's request not be approved based on the Division's review of the decision and the advice of the Attorney General's Office.

6. Recommendation of other office (as required)?

(a) Office Name _____

Authorized

(b) Signature _____

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Letter of request from the Department of Health and Environmental Control.
2. Memo from the Attorney General's Office.
3. Memo of Recommendation from the Division of Human Resource Management.

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South Carolina Department of Health and Environmental Control

2600 Bull Street
Columbia, S.C. 29201

Commissioner
Robert S. Jackson, M.D.



October 23, 1986

Board

Moses H. Clarkson, Jr., Chairman
Gerald A. Kaynard, Vice-Chairman
Oren L. Brady, Jr., Secretary
Barbara P. Nuessle
James A. Spruill, Jr.
William H. Hester, M.D.
Euta M. Colvin, M.D.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

Phyllis M. Mayes, Director
Division of Human Resource Management
1205 Pendleton Street
Columbia, South Carolina 29211

Dear Ms. Mayes:

Based on the recent decision of the State Employee Grievance Committee concerning the case of Pamela K. Smith where the Committee found in our favor but reduced the termination to a fifteen day suspension, we are requesting State Budget and Control Board approval to pursue a resolution of this case through the courts. The Department terminated the appellant based on the following violations; i.e., insubordination, violation of outside employment agreement, unauthorized use of State property, use of State time for personal matters, unauthorized leave and falsification of records.

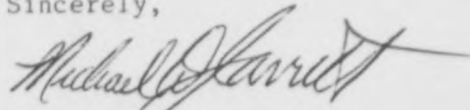
We are appealing the Committee's decision for several reasons. Please refer to the Committee's final decision dated October 21, 1986, under the "Statement of Policy and Conclusions of Law" section, Violation of Outside Employment Agreement. The Committee has referred to the Agency's Disciplinary Guide stating that violation of an Outside Employment Agreement is punishable by issuance of a work improvement notice and/or written reprimand to five days suspension on first offense; and termination on second offense. The Agency's Disciplinary Policy does not specifically address violation of outside employment. However, the Agency does address it under the Agency's Outside Employment Policy in the Committee's Exhibit, pp. 51-52, which states that willful violation of the policy shall be considered as direct insubordination. We believe this is a significant fact when you refer to the Committee's final decision regarding the Falsification of Records charge. The Committee states "that there was sufficient evidence to indicate that the appellant was not sick when she left the office, without formal approval, on May 7, and did, therefore, falsify her leave record." After reciting the facts surrounding the falsified leave episode, the Committee states further that it believes "she was not too ill to remain at work on that date and did, in fact, go to the real estate office for reasons related to her outside employment." In our judgment, this decision by the Committee indicates that the appellant violated her outside employment agreement and was therefore guilty of direct insubordination as stated in the Agency's Outside Employment Policy. This is clearly a second offense of insubordination when coupled with an earlier suspension for insubordination in September, 1985. The Agency Progressive Discipline Policy clearly states that a second offense of insubordination is punishable by termination.

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Referring again to the Committee's final decision regarding Falsification of Records, the Committee states that "there is sufficient evidence to indicate that the appellant was not sick when she left the office without formal approval on May 7 and did therefore falsify her leave record." As stated in the Committee's final decision, the Agency's Disciplinary Guide requires five days suspension to termination on the first offense for falsification of records. Evidence of this charge alone is grounds for termination. Considering the blatancy of the falsification and the fact that the Agency had accumulated multiple past disciplinary documents on the appellant, we felt termination was justified versus a lesser punishment.

The Agency strongly feels that approval should be granted to allow a re-hearing of these facts in court. It is clear that the evidence surrounding the violation of outside employment and falsification of records, whether considered independently or together, warranted termination of the appellant in this case. If we can answer any questions about these facts, please advise.

Sincerely,



Michael D. Jarrett
Acting Commissioner

MDJ:cp

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

EXHIBIT

NOV 5 1986

NO. 23

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: STEPHEN C. OSBOURNE
HUMAN RESOURCE MANAGEMENT DIVISION

FROM: CHARLES W. GAMBRELL, JR. *CWGjr*
ASSISTANT ATTORNEY GENERAL

RE: REQUESTS BY DHEC TO APPEAL PAMELA K. SMITH
vs. DHEC

DATE: October 27, 1986

RECOMMENDATION: Request for appeal be denied.

I have reviewed Michael D. Jarrett's letter of October 23, 1986, to Phyllis Mayes. The Department of Health and Environmental Control wishes to appeal the "punishment" imposed by the Committee in light of the Committee's finding of misconduct. DHEC does not allege that any errors of law were made in this matter nor does my review of the matter reveal any errors of law. Therefore, I recommend that the request for appeal be denied.

CWGjr/ss

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STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF HUMAN RESOURCE MANAGEMENT

1205 PENDLETON STREET
POST OFFICE BOX 12547
COLUMBIA, SOUTH CAROLINA 29211
803-734-0208



PHYLLIS M. MAYES
Director

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

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STATE BUDGET & CONTROL BOARD

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CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Charles W. Gambrell, Jr.
Assistant Attorney General

FROM: Stephen C. Osborne *Stephen C. Osborne*
Director, Employee/Employer Relations

DATE: October 28, 1986

SUBJECT: Department of Health and Environmental Control's Request to the
Budget and Control Board to appeal a State Employee Grievance
Committee Decision

The Department of Health and Environmental Control has requested approval from the Budget and Control Board to appeal the State Employee Grievance Committee's decision in the grievance appeal of Pamela K. Smith. The findings of fact by the Committee do not substantiate all of the charges against Ms. Smith and therefore the decision to terminate the appellant was modified to a suspension. The basis of appeal is the disciplinary action imposed by the Committee versus alleged errors of law. As a result, the Division of Human Resource Management does not recommend approval of the request.

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T H E E N D

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