

MINUTES OF  
BUDGET AND CONTROL BOARD  
MEETING

May 8, 1990

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
OFFICE OF THE EXECUTIVE DIRECTOR



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

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COLUMBIA, SOUTH CAROLINA 29211  
(803) 734-2320

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

May 8, 1990

MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Summary of Board Actions at May 8, 1990, 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. Adopted the agenda as proposed after adding three legal advice items to the executive session agenda (one on the Columbia annexation suit; one on pending litigation on a personnel matter; and one on the Charleston Television, Inc., v. Board, et al. matter); and after having been advised that regular session items 2 and 8 had been withdrawn;
2. Acting as the State Education Assistance Authority, adopted a petition constituting an authorized request to the State Budget and Control Board for an allocation of \$53,000,000 of the State Ceiling on the issuance of private activity bonds;
3. Approved the minutes of the April 23, 1990, Budget and Control Board meeting;
4. Received as information The Wyatt Company actuarial review of the South Carolina Retirement System, and directed that a study be completed of the impact on the solvency of the System of a continuation of the 4% cost of living adjustments (COLA) historically granted to retirees by the Retirement System and of when current contribution levels may prove insufficient to continue that practice and what the cost of continuing it would be;
5. Approved the following easements in accord with Code Section 1-11-90, as recommended by the Division of General Services:

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Summary of BCB Actions  
May 8, 1990, Meeting  
Page 2

- a. County Location: Beaufort County  
From: State of South Carolina  
To: Beaufort-Jasper Water & Sewer Authority  
Description/Purpose: revision to easement granted 3/6/89 (install 12" ductile iron effluent force main sewerline below the mean high water level of the Beaufort River); extend discharge pipe from 255' long to 540' long  
Consideration: \$-0-
- b. County Location: Greenville County  
From: State of South Carolina  
To: Western Carolina Regional Sewer Authority  
Description/Purpose: install and maintain an aerial sanitary sewer crossing the Reedy River  
Consideration: \$1.00

6. Received as information the first Budget Division report on operating funds transfers that may affect appropriations totalling \$433,718 and involving three agencies;
7. Received as information a Budget Division report that the transfer of \$3,310,332 of personal service funds was approved during April to bring the total approved for transfer during the fiscal year to \$5,079,988;
8. Received as information the FTE position operating report for the month of April which showed that no net change of FTE positions was made during April, leaving the base total at 71,039.75 FTE positions at the end of the month of which 65,365.20 were filled and 5,664.55 were vacant;
9. Received as information a report on total funds expended on in-State, out-of-State, and foreign travel by STARS agencies during 1988-89;
10. Received as information a report that the State has received approximately \$220,000 in the recent distribution of funds by the Manville Property Damage Trust;
11. Received as information a report that the following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

Summary 16-90: Items 1 and 2 (involving Clemson and Mental Retardation);  
Summary 17-90: Items 1 through 6, 10 and 11 (involving Clemson and Highways & Public Transportation);  
Summary 18-90: Item 1 (involving USC-Aiken);

12. Received as information a report that the following permanent Improvement project actions have been approved by staff and that Joint Bond Review Committee review was not required:

Summary 16-90: Item 5 (involving Mental Retardation);

Summary 17-90: Item 14 (involving Clemson);

13. Received as information a report of disbursements of public assistance funds to various State agencies by the Governor's Office during April;
14. Received as information a report on the reimbursement of interviewee travel expenses by Mental Health;
15. Pursuant to Section 129.6, officially recognized the necessity for an approximate \$3.4 million operating deficit by the Department of Corrections for fiscal year 1989-90;
16. a. In accord with Code Sections 13-7-30 and 48-47-100, levied a surcharge of 66¢ per cubic foot of waste received at the Barnwell facility during the July 1, 1990, through June 30, 1991, period and directed Chem-Nuclear Systems, Inc., to collect this surcharge on behalf of the Board and to remit all collections to the State Treasurer monthly;
- b. Agreed that August 1990 through July 1991 collections received are applicable to the 1990-91 budgets and authorized the State Treasurer to pay from the amounts received each month from August 1, 1990, through July 30, 1991, 93.6% to the Southeast Compact Commission, with the total not to exceed \$581,465 for 1990-91; and 6.4% to the Office of the Governor, with the total to that Office not to exceed \$40,000 for 1990-91; and
- c. Agreed that, to the extent they may be needed to meet approved budgets for 1989-90, July 1990 collections received and excess collections from prior years may be applied for these purposes;
17. Adopted a resolution approving the application of The Citadel requesting the issuance of \$1,350,000 principal amount of State Institution Bonds and requesting the Governor and the State Treasurer to issue such bonds or notes in anticipation thereof; and approved the use of excess debt service funds to pay \$150,000 principal and the interest due on the 1989 Notes;
18. Deferred action on a request by the State Education Assistance Authority for an allocation of \$53,000,000 of the State ceiling on the issuance of private activity bonds and was advised of a pending request by the State Housing Finance and Development Authority for a \$60,000,000 allocation;
19. Adopted resolutions approving proposals to issue the following revenue bonds, on the condition that the required reviews are completed with satisfactory results; and received as information the status report on the State ceiling:

- a. Issuing Authority: Florence County  
Amount of Issue: \$9,200,000 Hospital Revenue Bond  
Allocation Amount: -0-  
Name of Project: United Methodist Manor of the Pee Dee  
Employment Impact: approximately 35 full-time-equivalents  
Project Description: retirement home facility
  - b. Issuing Authority: Aiken County  
Amount of Issue: \$3,500,000 Hospital Facilities Revenue Refunding Bonds  
Allocation Amount: -0-  
Name of Project: Mattie C. Hall Health Care Center  
Employment Impact: n/a  
Project Description: skilled and intermediate care nursing home owned by Aiken County
20. Authorized USC - Union to accept the donation from the Norfolk Southern Railroad Corporation of approximately 2.29 acres of land known as the Union Oil Mill property (project H40-9501);
21. Approved the following permanent improvement project establishment requests and budget revisions that had been reviewed favorably by the Joint Bond Review Committee:
- a. On Summary 17-90: Item 8.  
Agency: Technical & Comprehensive Education  
Project: 9548, Trident-New Student Center  
Request: Increase budget to \$4,925,000  
Amount: Add \$425,000 Source: Other (Local) funds  
Purpose: The increase is due to site problems and an increase in construction costs due to Hurricane Hugo. Site problems were caused by location on a former landfill. All debris has now been removed and no methane gas has been found on the site.
  - b. On Summary 18-90: Item 2.  
Agency: Mental Retardation  
Project: Midlands-Renovation of Sequoia Dormitory  
Request: Establish project and budget  
Amount: \$300,000 Source: Excess Debt Service funds  
Purpose: Project consists of interior demolition, new partitions, upgrading of the bathroom facilities, fire alarm systems, door locking systems, etc. to meet DHEC licensing requirements.
  - c. On Summary 19-90: Suppl 2.  
Agency: Savannah Valley Authority  
Project: 9511, Crescent Property Acquisition  
Request: Increase budget to \$906,938.75  
Amount: Add \$896,938.75 Source: Appropriated State funds



Purpose: The increase in budget is needed in order to accept State Appropriated funds which were allocated to Savannah Valley Authority for the 1989-90 fiscal year. The actual land acquisition is not ready for approval and will be brought as a separate agenda item to the Board at a later date.

22. Carried over consideration of the following permanent improvement project budget revision:

On Summary 19-90: Suppl 1.

Agency: Winthrop College

Project: 9510, Phelps Hall Asbestos Abatement

Request: Increase budget to \$693,000

Amount: Add \$650,000      Source: Capital Improvement Bond funds

Purpose: The original budget was for A&E work. This increase is for the construction phase of this asbestos abatement project.

23. Authorized the Medical University to increase the on-call pay rate from \$1 to \$3 per hour for registered nurses assigned to the Cardiac Operating Room;
24. Agreed to meet at 10 a.m. on Monday, May 21, 1990, in the Governor's conference room in the State House;
25. Received legal advice on a matter relating to third party claims administration contract for Dental Insurance Program;
26. Denied a Department of Corrections request to appeal to the Court of Common Pleas the decision of the State Employee Grievance Committee in the Vasant Garde appeal;
27. Received legal advice relating to pending litigation on a personnel matter;
28. Received legal advice relating to the Charleston Television, Inc., v. Budget and Control Board et al., suit; and
29. Withdrew the petition to the City of Columbia adopted December 20, 1989, requesting the annexation of certain State-owned property in the Broad River Road vicinity and asked that no further action to annex these properties be undertaken and asked the Court to decide the legality of the annexation.



MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

MAY 8, 1990

10 A. M.

The Budget and Control Board met at 10 a.m. on Tuesday, May 8, 1990, in the Governor's conference room in the State House, with the following members in attendance:

Governor Carroll A. Campbell, Jr., Chairman;  
Mr. Grady L. Patterson, Jr., State Treasurer;  
Mr. Earle E. Morris, Jr., Comptroller General;  
Senator James M. Waddell, Jr., Chairman, Senate Finance Committee;  
Representative Robert N. McLellan, Chairman, House Ways & Means Committee.

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
Alan L. Pollack, Ph.D.	Assistant Executive Director
Charles H. Smith	Assistant Executive Director
Donna K. Williams	Assistant to Board Secretary
Other Board staff	
Joseph D. Shine	Chief Deputy Attorney General
Q. Whitfield Ayres, Ph.D.	Governor's Senior Executive Assistant for Budget and Policy
Luther F. Carter, Ph.D.	Governor's Senior Executive Assistant for Finance and Administration
C. C. "Chuck" Sanders, Jr.	Senior Assistant State Treasurer
George M. Lusk	Senior Assistant Comptroller General
J. Michael Ey	Finance Committee Director of Research
Scott R. Inkley, Jr.	Ways & Means Committee Dir. of Research

[Secretary's Note: This Board meeting was held immediately following a meeting of the State Education Assistance Authority, the members of which are Budget and Control Board members, ex-officio.]

**Adoption of Agenda**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted the agenda as proposed after adding three legal advice items to the executive session agenda (one on the Columbia annexation suit; one on pending litigation on a personnel matter; and one on the Charleston Television, Inc., v. Board, et al. matter); and after having been advised that regular session items 2 (an Insurance Services Division item on term life insurance options) and 8 (an Aeronautics Commission proposed permanent improvement project) had been withdrawn.

**Blue Agenda**

Dr. Coles advised that ten items were included on the blue agenda.

Upon a motion by Senator Waddell, the Board approved the blue agenda, after amending item 1, relating to the Wyatt Company report on its actuarial review of the Retirement System, upon a motion by Mr. McLellan which was seconded by Senator Waddell, to direct that a study be completed (1) of the impact on the solvency of the System if the 4% cost of living adjustments historically granted to retirees continues, and (2) of when current contribution levels may prove insufficient to continue that practice and what the cost of continuing it would be.

Mr. McLellan also called the Board's attention to blue agenda item 3, the Budget Division's first report on transfers it viewed as having potential impact on the appropriations process in the future, noting in particular an Arts Commission transfer to cover additional personal service costs resulting from the reclassification of Commission employees. He urged Senator Waddell to put a proviso back in which restricts that sort of thing and which would make it subject to the appropriations process.

**Ex Director: Wyatt Company Actuarial Review of Retirement System (Blue #1)**

It was reported to the Board in the agenda materials that, in response to the Board's direction, the Office of Executive Director had contracted with The Wyatt Company for an independent actuarial review of the South Carolina Retirement System (SCRS).

Board members were furnished a copy of The Wyatt Company's report on its actuarial review of the Retirement System in the agenda materials. The report indicated that the following four specific tasks were included in the review: (1) To determine if the actuarial assumptions and methods used to evaluate the SCRS reasonable, consistent and appropriate; (2) To determine, in their application to SCRS contribution rates, to value the SCRS benefit structure, and in determining the SCRS unfunded actuarial accrued liability and the funding period for that liability, if the assumptions and methods are consistently applied; if they are acceptable under common actuarial practice;

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and if they accurately portray the System's actuarial status; (3) To determine if the current SCRS contribution rates are sufficient to maintain the financial integrity of the SCRS to pay the benefits provided by it; and (4) To determine if there are any other factors not accounted for which might affect the financial integrity of the SCRS.

The Wyatt Company's report reached positive conclusions on all of these points but it expressed the view that current contribution levels are not sufficient to continue the 4% annual cost of living adjustments (COLAs) indefinitely into the future. The report stated that "...somewhere in the future it will be necessary to either increase contribution rates or to reduce the COLA increases to maintain an adequate funding position for SCRS..."

At the meeting, Mr. McLellan cited page 18 of the report relating to COLAs and asked if the Board will let the matter lie or if it will ask for projections on what the additional COLA cost will be and when it likely will occur. He said the point is whether the Board will plan for this projected need or if it will just let this matter slip up on us.

After an extended discussion in which Mr. Patterson observed that COLAs are not guaranteed under existing law and Governor Campbell, citing the federal experience, suggested that they be viewed as if they are, the Board, upon a motion by Mr. McLellan, seconded by Senator Waddell, directed that a study be completed of the impact on the solvency of the System of a continuation of the 4% cost of living adjustments (COLA) historically granted to retirees by the Retirement System and of when current contribution levels may prove insufficient to continue that practice and what the cost of continuing it would be.

The Board received as information The Wyatt Company actuarial review of the South Carolina Retirement System.

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



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**General Services: Easements (Blue #2)**

Upon a motion by Senator Waddell, the Board approved the following easements in accord with Code Section 1-11-90, as recommended by the Division of General Services:

- a. County Location: Beaufort County  
From: State of South Carolina  
To: Beaufort-Jasper Water & Sewer Authority  
Description/Purpose: revision to easement granted 3/6/89 (install 12" ductile iron effluent force main sewer line below the mean high water level of the Beaufort River); extend discharge pipe from 255' long to 540' long  
Consideration: \$-0-
  
- b. County Location: Greenville County  
From: State of South Carolina  
To: Western Carolina Regional Sewer Authority  
Description/Purpose: install and maintain an aerial sanitary sewer crossing the Reedy River  
Consideration: \$1.00

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

**Budget Division: Operating Transfers Impacting Appropriations (Blue #3)**

The Division's first monthly report on operations transfers that may affect appropriations was included in the agenda materials. The Board was advised that a cumulative schedule on these sorts of transfers will be submitted monthly.

This report in the agenda materials included a total of \$433,718 and involved three agencies.

As noted above, Mr. McLellan called the Board's attention to the inclusion in this item of a transfer which resulted from the reclassification of employees of the Arts Commission. He urged Senator Waddell to restore a proviso which restricts transfers of that sort and which would make those adjustments subject to the appropriations process.

The Board received this report as information.



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

**Budget Div.: 1989-90 Authorized Personal Service Transfers, April (B#4)**

The Board received as information a Budget Division report that the transfer of \$3,310,332 of personal service funds was approved during April to bring the total approved for transfer during the fiscal year to \$5,079,988.

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

**Budget Division: FTE Operating Report, April (Blue #5)**

The Budget Division reported that no net change of full-time-equivalent positions (-14.00 State, +0.50 federal, and +13.50 other) was made to the authorized base during April. The base remained at a total of 71,029.75 FTE positions.

At the end of the month, 65,365.20 of the authorized positions were filled and 5,664.55 were vacant.

	Positions Vacant (in %)	
	04/30/90	04/30/89
Total Positions	7.97	7.38
State	6.43	6.12
Federal	11.36	10.39
Other	9.55	8.63

The Board received this report as information.

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

**Executive Director: 1988-89 Travel Expenses, STARS Agencies (Blue #6)**

In the agenda materials, the Board was provided a summary of expenditures by source of funds for travel (including foreign, in-State, and out-of-State) by State employees of STARS agencies during fiscal year 1988-89. "Lump sum" agencies such as higher education institutions were not included.

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The summary indicated that, of the total \$22,489,093 (State, federal, and other funds) expended by the listed STARS agencies during the fiscal year, 76% was for in-State travel, 23% for out-of-State travel, and 1% for foreign travel.

It also indicated that, of the \$12,863,973 State funds expended, 75% was for in-State travel, 24% for out-of-State travel, and 1% for foreign travel.

The Board was advised that the summary was developed from a detailed report run by the Comptroller General's Office in response to a staff request. The request was made so the Board could consider putting its entire interest in the travel question on an after-the-fact financial reporting basis. Staff was advised that the level of detail summarized in the agenda materials is not reported to the Comptroller General's Office by lump sum agencies despite the requirements of Section 129.1 of the 1989-90 Appropriations Act.

The Board received as information a report on total funds expended on in-State, out-of-State, and foreign travel by STARS agencies during 1988-89.

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

**Attorney General: Manville Property Damage Trust Funds Distribution (B#7)**

The Board received as information a report that the State has received approximately \$220,000 in the recent distribution of funds by the Manville Property Damage Trust to offset some of the costs of asbestos abatement.

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

**General Services: Permanent Improvement Projects (Blue #8)**

The Board received as information a report that the following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

Summary 16-90: Items 1 and 2 (involving Clemson and Mental Retardation);

Summary 17-90: Items 1 through 6, 10 and 11 (involving Clemson and Highways & Public Transportation);

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Summary 18-90: Item 1 (involving USC-Aiken).

The Board also received as information a report that the following permanent Improvement project actions have been approved by staff and that Joint Bond Review Committee review was not required:

Summary 16-90: Item 5 (involving Mental Retardation);

Summary 17-90: Item 14 (involving Clemson University).

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

**Executive Director: Public Assistance Payments (FEMA), April 1990 (Blue #9)**

The Board received as information a report of disbursements of public assistance funds to various State agencies by the Governor's Office during April.

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

**Executive Director: Interviewee Travel Expense Reimbursement (Blue #10)**

The Board received as information a report on the reimbursement of interviewee travel expenses by Mental Health.

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

**Minutes of Previous Meeting**

Board members previously had been furnished a draft version of the minutes of the April 23, 1990, Budget and Control Board meeting.

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved the minutes of the April 23, 1990, Budget and Control Board meeting.

**Budget Division: Recognition of Year-end Deficit, Corrections (Reg. #1)**

Budget Division Director Charles A. Brooks, Jr., appeared before the Board on this matter.



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The Division reminded the Board in the agenda materials that, on February 28, 1990, it was notified by the Department of Corrections of a possible year-end operating deficit of approximately \$3.5 to \$4.0 million.

The Division reported that since then it has been working closely with the Department in an effort to reduce the deficit amount. It also reported that, while significant progress has been made in limiting the amount of the deficit, the Department will have a year-end deficit of approximately \$3.4 million.

The Division recommended in the agenda materials that, pursuant to Section 129.6, the Board officially recognize the Department of Corrections' operating deficit.

Dr. Coles reviewed the request briefly at the meeting. Senator Waddell noted that the Senate Finance Committee had put about \$1.7 million into the appropriations bill to cover part of the Department's deficit.

Mr. Brooks noted that the deficit level of \$3.1 million noted by Mr. McLellan was an earlier figure and that the figure gets worse as time passes. He said the Department will probably carry forward about \$3 million of personal service costs for payment out of next year's funds.

Following a brief discussion, upon a motion by Mr. Morris, seconded by Senator Waddell, the Board pursuant to Section 129.6, officially recognized the necessity for an approximate \$3.4 million operating deficit by the Department of Corrections for fiscal year 1989-90.

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

**Insurance Services: Hartford Insurance Portability Option (Regular #2)**

This item relating to the optional life insurance program portability option was withdrawn from the agenda.

Mr. Morris asked when the item would be back on the agenda and Dr. Coles said it was ready for this meeting but that he had asked the Insurance Services Division to provide some additional information on the impact of the proposal.



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

**Radioactive Waste Surcharge for Compact Commission/Administration (R#3)**

Southeast Compact Commissioner John N. McMillan appeared before the Board on this matter.

Mr. McMillan advised the Board in the agenda materials that the Compact Commission has approved a 1990-91 budget of \$600,465, \$19,000 of which will be covered by a carryforward from 1989-90. Staff noted that this budget is about \$92,500 above the prior year's with major differences being: (1) a \$52,000 increase for staff salaries and fringes; (2) a \$55,000 item for a Legislator's Conference; (3) a \$45,000 decrease in professional fees/contract labor; and (4) a \$12,000 increase for clerical.

He also asked that \$40,000 for administrative expenses for the Governor's Office, Division of Energy, Agriculture and Natural Resources be provided as in the past few years.

The Board was advised that total funding needed for 1990-91 for the Compact Commission and the Governor's Office is \$621,465 (\$600,465 - 19,000 + 40,000). To provide the funds needed, Mr. McMillan recommended that the Board continue the surcharge of 66¢ per cubic foot of low-level radioactive waste received at the Barnwell facility for the July 1, 1990, through June 30, 1991, period. He indicated in the agenda materials that the anticipated volume is about 950,000 cubic feet which is an increase of 120,000 cubic feet over the expectations at about this time last year. The 950,000 cubic feet would generate \$627,000.

As has been the practice, staff proposed in the agenda materials that Chem-Nuclear Systems, Inc., be directed to collect this surcharge on behalf of the Board and to remit the total amount derived from it to the State Treasurer's Office each month. Also as in the past, staff proposed that, until the \$581,465 and the \$40,000 budget maximums for the Compact Commission and the Governor's Office, respectively, are reached, the State Treasurer's Office be asked to remit 93.6% of the 66¢ surcharge received each month to the

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Compact Commission and to transfer the remaining 6.4% to the Governor's Office (the percentages are each entity's share of the \$621,465 total).

As noted in the agenda materials, to stay on the common accounting basis achieved two years ago with the Compact Commission, staff further recommended that:

- (a) surcharge collections received by the State Treasurer between August 1, 1990, and July 30, 1991 (collected by Chem-Nuclear in July 1990 and June 1991, respectively) be applied to the extent required against the 1990-91 budgets and that this August through July pattern be followed in future years; and
- (b) to the extent needed to meet approved budgets for 1989-90:
  - (1) collections received by the State Treasurer in July of 1990 would be applicable to budgets for 1989-90; and
  - (2) excess surcharge collections from prior years being held by the State Treasurer's Office be considered payable.

The Board was advised in the agenda materials that, if collections attributable to any fiscal year exceed the approved Commission and Governor's Office budget amounts, it has been its position that those amounts are to be held by the State Treasurer for payment as the Board may direct.

The Board was advised that the amount paid to the Compact Commission through April 30, 1990, against the 1989-90 budget of \$508,000 was \$487,121.55, leaving a balance due of \$20,878.45. The amount paid through April to the Governor's Office against its \$40,000 budget was \$38,360.16, leaving a balance due of \$1,639.84.

At the meeting, Dr. Coles reviewed the requested Board action and pointed out that it is consistent with what has been done in the past.

Mr. McLellan asked about the 30% increase shown in the Compact Commission budget for staff salaries and fringes. Mr. McMillan said the funds primarily are for two additional staff persons recently hired by the Commission to deal with the increased workload involved in the transfer of the regional site from South Carolina to North Carolina. Mr. McLellan also asked about the \$55,000 item in the Commission budget for a legislator's conference. Mr. McMillan said the Commission included it because of the transfer of the regional site

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from South Carolina to North Carolina and the need to educate legislators on that process. He also advised Mr. McLellan the Commission employs an executive director, two clerical persons (one full-time and one part-time) and two interns.

Following this discussion, upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board:

- a. In accord with Code Sections 13-7-30 and 48-47-100, levied a surcharge of 66¢ per cubic foot of waste received at the Barnwell facility during the July 1, 1990, through June 30, 1991, period and directed Chem-Nuclear Systems, Inc., to collect this surcharge on behalf of the Board and to remit all collections to the State Treasurer monthly;
- b. Agreed that August 1990 through July 1991 collections received by the State Treasurer are applicable to the 1990-91 budgets and authorized the State Treasurer to pay from the amounts received each month from August 1, 1990, through July 30, 1991, 93.6% to the Southeast Compact Commission, with the total not to exceed \$581,465 for 1990-91, and 6.4% to the Office of the Governor, with the total to that Office not to exceed \$40,000 for 1990-91; and
- c. Agreed that, to the extent they may be needed to meet approved budgets for 1989-90, July 1990 collections received by the State Treasurer and excess collections from prior years held by him for the Board may be applied for these purposes.

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

**The Citadel: Issuance of State Institution Bonds/Notes (Regular #4)**

The Board was advised in the agenda materials that institution bond anticipation notes in the principal amount of \$1,500,000 mature on June 19, 1990. It also was noted that The Citadel Board of Visitors has determined it to be in The Citadel's interest to pay \$150,000 of the principal amount of the outstanding notes and the interest on them using excess debt service funds as the source.

The Citadel sought Board approval of its application for funds through the issuance of \$1,350,000 of State institution bonds or bond anticipation notes with the proceeds used to refund the principal of the 1989 Notes.



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At the meeting, a revised version of page 1 of the proposed resolution was distributed. The corrected version changed the last phrase of Section 1(c) to read "...for the purpose of defraying a portion of the costs of the construction and equipping of a new dining hall." The version replaced had indicated in error that that those proceeds had already been expended.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution (a) approving the application of The Citadel requesting the issuance of \$1,350,000 principal amount of State Institution Bonds and requesting the Governor and the State Treasurer to issue such bonds or notes in anticipation thereof; and (b) approving the use of excess debt service funds to pay \$150,000 principal and the interest due on the 1989 Notes.

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

**State Education Assistance Authority; State Housing Finance & Development**

**Authority: State Ceiling on Private Activity Bonds Allocation Requests (R#5)**

[Secretary's Note: The Board actually discussed this item as it sat as the State Education Assistance Authority to consider the adoption of a petition to the Board for a \$53 million allocation of the State Ceiling on the issuance of private activity bonds. Senator Waddell had noted the presence of this item in the Board's agenda as the Authority began its consideration of the petition and he expressed concern that the amount unallocated in the State pool is not enough to cover requests by the Education Assistance Authority and by the State Housing Authority (which reported its intention to ask for an allocation of \$60 million in June). Authority Secretary McInnis noted that, to start the allocation process, the Authority needs to adopt a resolution petitioning the Budget and Control Board for the Ceiling allocation. He observed that this is the easy part of the process, with the hard part coming when the members sit as the Budget and Control Board and have to decide how to respond to the petition and other requests.

At the Authority meeting, Authority members indicated a desire to discuss the entire situation now and asked Mr. McInnis what his thoughts on it are. Mr. McInnis said his suggestions likely will not be well received by all of the interested parties. He said his first suggestion to the Board would be that it defer action on the Education Assistance Authority request and on the pending State Housing Finance and Development Authority request until after July 1 because of the State law on that subject and because it would give a bit longer for local claims to be identified. He suggested also that, when the question comes to the Board, the \$70.2 million in the State Pool be allocated to the Education Assistance Authority and to the Housing Authority.



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He recommended that \$25 million be allocated to the Education Assistance Authority (with the \$28 million balance of its request deferred) and that the State Pool balance of \$45.2 million be allocated to the State Housing Finance and Development Authority. He suggested that the Board agree to allocate to the Education Assistance Authority whatever unused Local Pool balance may remain at September 30.

Mr. McInnis acknowledged to the Authority that his suggestion on the use of the State Pool does not provide for any allocations the Jobs-Economic Development Authority (JEDA) may need from the State Pool. He noted that JEDA officials have projected a need for \$35 million of allocations, the level reached in 1989. Mr. McInnis doubted that JEDA will reach that level and he expressed the view that JEDA projects actually are local projects which he suggested be covered by shifting (with the Bond Committee's review and comment) amounts required from the Local Pool.

Mr. McInnis advised the Authority that the Local Pool unallocated balance now is \$75 million. He said there is a possibility that a \$5 million allocation will not be used which would give the Board \$80 million in that Pool to work with. He observed that the Board traditionally has not shifted Local Pool amounts to the State Pool until local projects have been covered and he ventured the opinion that the locals would not use the amount available based on his informal canvass of bond attorneys. He observed that, unless the Congress acts to change the present law, housing mortgage revenue bonds and small-issue IDBs will go away. Because of the September 30 sunset on housing revenue bonds, he suggested that the Board address the pending Housing Authority allocation request at the first meeting in July.

Housing Authority Executive Director Buzzetti said his agency wants to go to market in July.

Also during the meeting of the Education Assistance Authority, Mr. M. William Youngblood, bond attorney for the Authority, who was accompanied by Mr. William Mackie, executive director of the Student Loan Corporation, reminded the members that they were then sitting as trustees of the State Education Assistance Authority rather than as the Budget and Control Board. He said that the Education Assistance Authority last year had stepped back and had not asked for a State Ceiling allocation in deference to others.

Mr. Youngblood also said he expects the sunsets on housing and small-issue industrial development bonds will be extended again this year by the Congress as has been the case every other time the issue has arisen. He commented that the student loan program which is funded by Authority bonds is something the State is very proud of and that it is one which serves a vital public purpose. He noted the increasing literacy requirements of private industry and observed that the student loan program is a valuable economic development tool. He said the Authority this year is in line and is on time to request a State Ceiling allocation for a program which serves a vital public purpose.

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In the Authority meeting, Mr. McLellan asked what the priorities are and he expressed concern about making a quick judgment without knowing the priorities.

Governor Campbell expressed the view that a choice between programs may not be being made now. He said the Board could carry the Education Assistance Authority and Housing Authority requests over until July when more information is available. He noted that the Congress generally extends the housing and small issue bond programs.]

It was noted in the agenda materials for the Board meeting that the Authority just prior to this Board meeting, may have acted to petition the Board for an allocation of \$53,000,000 of the 1990 State Ceiling on the issuance of private activity bonds. The Board was advised in the agenda materials that that allocation of the State Ceiling, if approved, would be used by the Authority in conjunction with a projected issue of student loan bonds during June or July of 1990 to provide permanent financing of student loans made from the proceeds of short-term lines of credit established by certain commercial banks. A copy of the Authority's petition was included in the agenda materials.

Also included in the agenda materials was a letter from Housing Authority Executive Director Buzzetti in which he reported that his Authority proposes to request a State Ceiling allocation of up to \$60 million in June. That \$60 million, if granted, would be added to a Ceiling carryforward balance of \$3,055,000 for use in a bond issue proposed for July of 1990. Mr. Buzzetti's letter also included information on the status of various Authority programs.

The Board was advised in the agenda materials that federal authority for the issuance of mortgage revenue bonds expires September 30 which means that these bonds must be sold prior to that date and that a Ceiling allocation is required.

The Board was reminded in the agenda materials that, as had been noted in the materials for the Education Assistance Authority meeting on its petition, the State Government Pool portion of the State Ceiling on private activity bonds is nominally 40% of the total State Ceiling. For calendar year 1990, the amount is \$70,240,000 (which is 40% of the \$175,600,000 Ceiling total), none of which has been allocated to date.

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Regular Session -- May 8, 1990 -- Page 15

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The agenda materials pointed out that the State Government Pool is for State government issuing authorities including the State Education Assistance Authority (SEAA), the State Housing Finance and Development Authority (SHF&DA), and the Jobs-Economic Development Authority (JEDA). Allocations of the State Pool in recent years have been as follows:

<u>Issuer</u>	<u>CY1989</u>	<u>CY1988</u>	<u>CY1987</u>
JEDA	35,400,000	23,900,000	16,600,000
SHF&DA	27,385,000	40,000,000	75,000,000
SEAA	-0-	3,000,000	117,465,650
Total,			
State Pool Alloc	62,785,000	66,900,000	209,065,650
% of Total State Ceiling	36%	39%	82%
Total State Ceiling	174,650,000	171,250,000	253,350,000

Because both requests exceed \$10,000,000, the Board also was reminded in the agenda materials of the provisions of Code §1-11-540 which defers Ceiling allocations of more than \$10 million until after July 1 unless the Board, after review and comment by the Bond Committee, determines in any particular instance that the positive impact upon the State of approving an allocation greater than \$10 million is of such significance that approval is warranted.

Staff also noted that, in addition to the \$70,240,000 available in the State Pool, \$75,160,000 remained unallocated in the Local Pool. Staff pointed out that the \$113 million in the request by the Education Assistance Authority and the pending Housing Authority request cannot be granted without using all of the State Pool plus shifting some \$42.7 million from the Local Pool. Staff advised that such a shift, under Code §1-11-520, could be done with Bond Committee review and comment. Staff observed in the agenda materials that that action to approve the \$113 million of requests would make no allowance for JEDA's needs, if any, however, and it presumed there would be no local demand for that portion of the local Pool.

During a brief discussion at the Board meeting, Mr. Buzzetti advised Governor Campbell that a two-week delay of a decision on this matter will make no difference whatsoever to the Housing Finance and Development Authority.



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Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board (a) deferred action on a request by the State Education Assistance Authority for an allocation of \$53,000,000 of the State Ceiling on the issuance of private activity bonds; (b) was advised of a pending request by the State Housing Finance and Development Authority for a \$60,000,000 allocation; and c) asked that additional information on the issue be provided .

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

**Executive Director: Revenue Bond Issues; State Ceiling Allocations (R#6)**

Board Secretary McInnis appeared before the Board on this matter. He noted that neither of the two proposals listed requires a State Ceiling allocation and he recommended that the Board grant conditional approval to them because the required reviews had not yet been completed.

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

- a. Issuing Authority: Florence County  
Amount of Issue: \$9,200,000 Hospital Revenue Bond  
Allocation Amount: -0-  
Name of Project: United Methodist Manor of the Pee Dee  
Employment Impact: approximately 35 full-time-equivalents  
Project Description: retirement home facility  
(Exhibit 16)
  
- b. Issuing Authority: Aiken County  
Amount of Issue: \$3,500,000 Hospital Facilities Revenue Refunding Bonds  
Allocation Amount: -0-  
Name of Project: Mattie C. Hall Health Care Center  
Employment Impact: n/a  
Project Description: skilled and intermediate care nursing home  
owned by Aiken County  
(Exhibit 17)

The Board also received as information the status report on the State ceiling which showed that \$30,200,000 (17.2%) of the \$175,600,000 State Ceiling total had been allocated as of May 4, leaving \$145,400,000 (82.8%)

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**Regular Session -- May 8, 1990 -- Page 17**

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available. The report also showed, for comparison, that, at May 31, 1989 (about a year earlier), 17.4% of the State Ceiling had been allocated which left 82.6% available. (Exhibit 18).

Information relating to this matter has been retained in these files and is identified as Exhibits 16, 17, and 18, respectively.

**General Services: Donation of Real Property to USC (Regular #7)**

General Services counsel Wayne Rush appeared before the Board on this matter.

The Division recommended that USC - Union be authorized to accept the donation from the Norfolk Southern Railroad Corporation of approximately 2.29 acres of land known as the Union Oil Mill property.

The Board was advised in the agenda materials that the property is contiguous to the campus and has several buildings that will be demolished. Staff reported that the Union-Laurens Higher Education Commission has agreed to pay the cost of the demolition and that the property will be used as open landscaping or for intramural sports activities.

It was noted in the agenda materials that the environmental study indicated that no asbestos or other hazardous conditions exist on the site and that this project, H40-9501, has been approved by the Commission on Higher Education and the Joint Bond Review Committee.

Mr. Rush reviewed the request at the meeting.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board authorized USC - Union to accept the donation from the Norfolk Southern Railroad Corporation of approximately 2.29 acres of land known as the Union Oil Mill property (project H40-9501).

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

**General Svcs: Aeronautics Commission Permanent Improvement Project (R#8)**

This item, which had been carried over at the April 23 meeting, was withdrawn from the agenda.

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Regular Session -- May 8, 1990 -- Page 18

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

**General Services: Permanent Improvement Projects (Regular #9)**

General Services counsel Wayne Rush appeared before the Board on this matter.

Upon a motion by Mr. Morris, seconded by Senator Waddell, the Board approved the following permanent improvement project establishment requests and budget revisions that had been reviewed favorably by the Joint Bond Review Committee:

a. Summary 17-90: Item 8.

Agency: Technical & Comprehensive Education  
Project: 9548, Trident-New Student Center  
Request: Increase budget to \$4,925,000  
Amount: Add \$425,000      Source: Other (Local) funds  
Purpose: The increase is due to site problems and an increase in construction costs due to Hurricane Hugo. Site problems were caused by location on a former landfill. All debris has now been removed and no methane gas has been found on the site.

b. Summary 18-90: Item 2.

Agency: Mental Retardation  
Project: Midlands-Renovation of Sequoia Dormitory  
Request: Establish project and budget  
Amount: \$300,000      Source: Excess Debt Service funds  
Purpose: Project consists of interior demolition, new partitions, upgrading of the bathroom facilities, fire alarm systems, door locking systems, etc. to meet DHEC licensing requirements.

c. Summary 19-90: Suppl 2.

Agency: Savannah Valley Authority  
Project: 9511, Crescent Property Acquisition  
Request: Increase budget to \$906,938.75  
Amount: Add \$896,938.75      Source: Appropriated State funds  
Purpose: The increase in budget is needed in order to accept State Appropriated funds which were allocated to Savannah Valley Authority for the 1989-90 fiscal year. The actual land acquisition is not ready for approval and will be brought as a separate agenda item to the Board at a later date.

In this same motion, after Governor Campbell asked if the asbestos in the following project had already been disturbed and if, in the asbestos abatement



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program generally, we had gone overboard and are doing things which aren't really necessary, the Board carried over consideration of the following permanent improvement project budget revision, after asking staff to provide additional information on the subject:

Summary 19-90: Suppl 1.

Agency: Winthrop College

Project: 9510, Phelps Hall Asbestos Abatement

Request: Increase budget to \$693,000

Amount: Add \$650,000      Source: Capital Improvement Bond funds

Purpose: The original budget was for A&E work. This increase is for the construction phase of this asbestos abatement project.

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

**Human Resource Management: MUSC On-call Pay (Regular #10)**

Assistant Division Director Tom Lucht appeared before the Board on this matter. Division Director Mayes was present along with staff member Susan Hyler.

The Division recommended approval of the Medical University request to increase the on-call pay rate from \$1 to \$3 per hour for registered nurses assigned to the Cardiac Operating Room.

As was noted in the agenda materials, MUSC officials requested the rate change because of the increasing difficulty in staffing the Cardiac Operating Room with registered nurses.

The Board was advised in the agenda materials that employees who receive on-call pay are assigned to the MUSC Medical Center in positions directly supporting patient care. It also was noted that employees are authorized on-call pay only when scheduled to provide emergency coverage where staff shortages do not permit sufficient coverage.

Following a discussion, upon a motion by Mr. Morris, seconded by Senator Waddell, the Board authorized the Medical University to increase the on-call pay rate from \$1 to \$3 per hour for registered nurses assigned to the Cardiac Operating Room.

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**Regular Session — May 8, 1990 — Page 20**

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

**Future Meeting**

The Board agreed to meet at 10 a.m. on Monday, May 21, 1990, in the Governor's conference room in the State House.

**Executive Session**

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board agreed to consider the following items, which had been published previously, in executive session:

- |                        |  |
|------------------------|--|
| 1 Insurance Services   | Receipt of Legal Advice (Third Party Claims Administration Contract for Dental Insurance Programs) |
| 2 Human Resource Mgmt. | Receipt of Legal Advice (Department of Corrections Request to Appeal Grievance Committee Decision) |
| 3 Executive Director   | Receipt of Legal Advice (Personnel Matter)   |
| 4 Attorney General     | Receipt of Legal Advice (Charleston Television, Inc., v. Board, et al.)                            |
| 5 Executive Director   | Receipt of Legal Advice (Columbia Annexation Suit)   |

**Report on Matters Discussed in Executive Session**

Following the executive session, the meeting was opened, and the Board reported on the following items which had been discussed during executive session:

- (a) Insurance Services: Receipt of Legal Advice (Third Party Claims Administration Contract for Dental Insurance) (Executive #1)

The Board received legal advice on a matter relating to third party claims administration contract for the Dental Insurance Program.

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Regular Session — May 8, 1990 — Page 21

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- (b) Human Resource Management: Receipt of Legal Advice (Corrections Request to Appeal Grievance Committee Decision) (Exec #2)

Upon a motion by Mr. Morris, seconded by Senator Waddell, the Board denied a Department of Corrections request to appeal to the Court of Common Pleas the decision of the State Employee Grievance Committee in the Vasant Garde appeal.

- (c) Executive Director: Receipt of Legal Advice (Personnel Matter) (Executive Add-on)

The Board received legal advice relating to pending litigation on a personnel matter.

- (d) Attorney General's Office: Receipt of Legal Advice (Charleston Television, Inc., v. Board, et al. Suit) (Executive Add-on)

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board authorized its attorney to file a Petition for Rehearing in the Charleston Television, Inc., v. Budget and Control Board et al., suit.

- (e) Executive Director: Receipt of Legal Advice (Columbia Annexation Suit) (Executive Add-on)

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted the following resolution:

WHEREAS, in December of 1989, the State Budget and Control Board, acting in good faith, requested the City of Columbia to annex certain State-owned properties located in the Broad River Road vicinity and the Board now understands that that decision to request the annexation was based on incomplete facts;

WHEREAS, two reasons for the annexation, the ability of the City of Columbia to include Department of Corrections prisoners in the upcoming census count and the reduction of water rates for the State agencies, were cited;

WHEREAS, at the time the annexation request was under consideration by the Board and its staff, the Board asked if, and it was led to believe that, the State property proposed for annexation was contiguous to the City but it is now informed that the annexation was accomplished using the ribbon method and that there is a gap in the annexed area;



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Regular Session -- May 8, 1990 -- Page 22

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WHEREAS, also at the time the annexation request was under consideration by the Board and its staff, the Board asked City representatives if the proposed annexation of the State-owned properties presented any legal, economic or public policy problems and it was advised that there were none; and

WHEREAS, having considered all of the factors involved at its meeting on May 8, 1990,

NOW, THEREFORE, BE IT RESOLVED that the State Budget and Control Board immediately withdraws the petition adopted by the Board on December 20, 1989, and filed with the City of Columbia which requested the annexation of certain State-owned properties in the Broad River Road area.

FURTHER, the Board, in withdrawing its December 20, 1989, petition, asks that no further action to annex these properties take place and it asks the Court to decide the legality of this annexation attempt.

ADOPTED at 12:30 p.m. this eighth day of May, 1990, at Columbia.

Adjournment

Upon a motion by Mr. Patterson, the meeting was adjourned at 12:30 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 10:30 a.m. on Friday, May 4, 1990.]

# EXHIBIT

MAY 8 1990

1

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER           

AGENCY: Executive Director

SUBJECT: Wyatt Company Actuarial Review of Retirement System

In response to the Board's direction, the Office of Executive Director contracted for an independent actuarial review of the South Carolina Retirement System (SCRS).

Attached is the actuarial review by The Wyatt Company.

BOARD ACTION REQUESTED:

Receive as information The Wyatt Company actuarial review of the South Carolina Retirement System.

ATTACHMENTS:

Actuarial Review of the South Carolina Retirement System

14200

ACTUARIAL REVIEW OF THE  
SOUTH CAROLINA  
RETIREMENT SYSTEM

APRIL 25, 1990

EXHIBIT

MAY 8 1990

1

STATE BUDGET & CONTROL BOARD

14201



ACTUARIAL REVIEW OF THE  
SOUTH CAROLINA  
RETIREMENT SYSTEM

APRIL 25, 1990

14202

THE *Wyatt* COMPANY

ACTUARIAL SERVICES  
COMPENSATION PROGRAMS  
ADMINISTRATIVE SYSTEMS  
INTERNATIONAL SERVICES  
ORGANIZATION SURVEYS

1900 NCNB CENTER, TOWER II  
325 NORTH ST. PAUL STREET  
DALLAS, TEXAS 75201  
(214) 979-3800  
FACSIMILE (214) 979-3898

EMPLOYEE BENEFITS  
EMPLOYEE COMMUNICATIONS  
RISK MANAGEMENT  
INSURANCE CONSULTING  
HEALTH CARE CONSULTING

April 25, 1990

Mr. Alan L. Pollack  
Assistant Executive Director  
Office of the Executive Director  
State Budget and Control Board  
State of South Carolina  
P. O. Box 12444  
Columbia, South Carolina 29211

Dear Mr. Pollack:

Actuarial Review of the  
South Carolina Retirement System

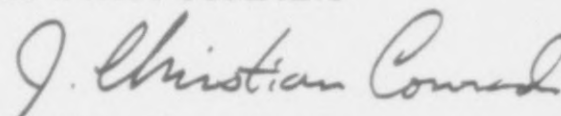
It is our pleasure to present our report summarizing the results of our actuarial overview audit of the South Carolina Retirement System.

We would like to extend our appreciation to the staff of SCRS and to Buck consultants for their cooperation on this project.

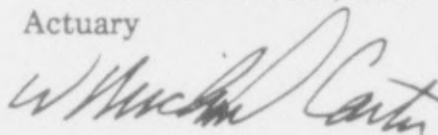
We will be available to discuss this report with you, the Budget and Control Board, and other interested parties as needed.

Sincerely,

THE WYATT COMPANY



J. Christian Conradi, ASA  
Actuary



W. Michael Carter, FSA  
Actuary

sre  
Enclosure

14203

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**EXHIBIT**

MAY 8 1990

**1**

STATE BUDGET & CONTROL BOARD



## Section I

### Introduction

The Budget and Control Board of the State of South Carolina has requested that The Wyatt Company conduct a review of the actuarial status of the South Carolina Retirement System (SCRS). This review requires an analysis of the actuarial valuation work performed by the SCRS actuary, Buck Consultants (Buck).

There are four state-wide plans administered by the South Carolina Retirement Systems and under the direction of the Budget and Control Board:

South Carolina Retirement System (SCRS) - the largest of the four systems, with 160,000 active members, 38,000 retired members, and over \$6 billion in assets.

Police Officers Retirement System (PORS) - the second largest system, with 14,000 active members, 2,200 retired members, and over \$500 million in assets.

General Assembly Retirement System (GARS) - with less than 300 total members and under \$20 million in assets.

Judges and Solicitors Retirement System (JSRS) - with less than 200 total members and under \$30 million in assets.

The Board has requested that at this time our review cover only the largest of the four plans, SCRS.

Four specific tasks are included in this review:

1. Are the actuarial assumptions and methods used to value SCRS reasonable, consistent, and appropriate?
2. As these actuarial methods and assumptions are applied to determine the SCRS contribution rates, to value the SCRS benefit structure, and to determine the SCRS unfunded actuarial accrued liability (UAAL) and the funding (or amortization) period for the UAAL:
  - a. Are the assumptions and methods consistently applied?
  - b. Are they acceptable under common actuarial practice?
  - c. Do they accurately portray the System's actuarial status?

14205

3. Based on the foregoing analysis, are the current SCRS contribution rates sufficient to maintain the financial integrity of SCRS to pay the benefits provided by it?
4. Are there any other factors not accounted for which might affect the financial integrity of SCRS?

The following sections provide a discussion of our review process and our conclusions relative to these four tasks.

## Section II

### Executive Summary

Wyatt has completed its actuarial review of the South Carolina Retirement System, the largest of the four retirement systems administered by the South Carolina Retirement Systems and governed by the Budget and Control Board.

The following is a summary of this report.

#### The Review Process

Wyatt has:

- requested, received, and reviewed copies of the SCRS statutes, financial reports, valuation reports, and experience study
- interviewed the SCRS staff and Buck Consultants to understand the System, clarify certain issues, and address specific questions
- received from Buck copies of workpapers, sample computer runs, summary computer runs, certain test records, and data layout specifications
- received and processed a data tape containing active member data for a large group of employees
- duplicated valuation results for this subgroup of data
- duplicated all specific liability items for each test record received from Buck
- been able to reproduce all actuarial liabilities and cost figures shown in Buck's 1989 actuarial statement
- verified the funding period and the unfunded actuarial accrued liability presented in the 1989 Buck valuation

14207



Discussion of Actuarial Methods and Assumptions

- Actuarial assumptions and methods appear reasonable, consistent, and appropriate
- The actuarial liability valuation method is the one specified by SCRS statute
- The liability valuation method is the method most commonly used in valuing state-wide retirement systems
- the actuarial asset valuation method is consistent with and appropriate for the investment mix and investment policy of SCRS
- Future experience studies should consider developing rates of withdrawal and retirement that are functions of both age and service rather than a function of age only

Application of Actuarial Methods and Assumptions to the Valuation of SCRS

- Actuarial assumptions and methods are consistently applied in the valuation of SCRS
- Actuarial calculations have been verified or reproduced within acceptable tolerances
- The unfunded actuarial accrued liability and the funding period have been verified

Financial Integrity of SCRS

- All significant benefit provisions of SCRS have been valued, and that valuation is appropriate
- Actuarial results adequately reflect the current actuarial condition of SCRS (subject to the COLA issue)
- The funding period for SCRS falls within acceptable actuarial guidelines
- The current contribution rates are sufficient to maintain the financial integrity of SCRS, subject to the COLA issue

14208

- There are a few minor benefit issues not covered by the valuation, but these should have no material impact on the valuation results
- The COLA issue will come into play somewhere in the future
- It might be of interest to determine the State's liability for certain retiree benefits that are being provided outside the regular SCRS funding mechanism

14209

### Section III

#### The Review Process

An actuarial review of a retirement system as large and complex as SCRS requires a great deal of cooperation among the parties involved since a large amount of complex information must be studied. It is also necessary for the reviewing actuarial firm (Wyatt) to become familiar with the design and operation of the retirement system itself. To facilitate our analysis, the following processes have been followed:

- Received copies of the current statutes governing SCRS (updated through the 1989 legislative changes), copies of the last three comprehensive annual financial reports by the South Carolina Retirement Systems, copies of the last three actuarial valuation reports, and a copy of the most recent actuarial experience study
- Met with representatives of the Budget and Control Board staff to clarify and define objectives of the study
- Met with representatives of the administrative staff of the South Carolina Retirement Systems to review all aspects of the Systems' operation
- Reviewed a copy of the disability benefit worksheet and sample disability factors utilized by SCRS
- Reviewed the formats of employee and retiree data that are furnished to the SCRS actuary
- Spent 1-1/2 days in the office of the SCRS actuary (Buck) to familiarize ourselves with valuation procedures and to get answers to numerous actuarial-related questions
- Received and reviewed summary pages from each of the active member actuarial valuation runs
- Received and verified detailed actuarial calculations on six sample age-sex-classification employee groups

14210



- Received and processed an employee data tape for one complete employee classification of SCRS
- Received detailed valuation runs for one retired participant under each SCRS retirement option
- Received a layout of Buck's input data used for retired member valuation purposes
- Received copies of retired member actuarial valuation summary runs
- Compared the data utilized by Buck against the data format specifications furnished by SCRS
- Brought up the major benefit elements of SCRS on the Wyatt valuation system and processed selected active member and retired member data through it
- Verified actuarial calculations on retired members by reproducing actuarial valuation results on five sample retired members
- Reproduced the actuarial valuation results for the six active member sample employees
- Checked actuarial liability calculations in total by reproducing the actuarial liabilities for the active member employee group that we received data on
- Verified actuarial assets against the System-supplied financial report
- Verified all total actuarial liabilities against the summary runs furnished by Buck
- Verified all actuarial cost calculations from the actuarial valuation report as of June 30, 1989
- Verified the present value of future member contributions, present value of future state normal costs, the unfunded actuarial accrued liability (UAAL), the amortization period to fund the UAAL, and the normal cost percent of pay figures

- Had numerous telephone conversations and exchanges of faxed information with Buck Consultants

As may be seen from the above enumeration of activities, there has been a substantial amount of data collected and analyzed. There have been numerous telephone calls and correspondence between Wyatt and SCRS and between Wyatt and Buck. During the entire process, there has been a high degree of cooperation exhibited by all parties. In particular, we wish to thank the assistance and cooperation of Purvis Collins and Joe Mack of SCRS and Don Overholser and Margaret Wood-Duggan of Buck Consultants. Without their assistance and patience, this project could not have been completed.

From the above enumeration of activities, it should be noted that in arriving at the conclusions and observations that are contained in the following sections of this report, we verified information that Buck supplied by attempting to reproduce the corresponding actuarial values on our valuation systems. While we did not re-value all the SCRS data, we did use sampling techniques and valued a large portion of the active member group in order to arrive at our conclusions on the application of the actuarial methods and assumptions.

EXHIBIT

MAY 8 1990 1

STATE BUDGET & CONTROL BOARD

14212

## Section IV

### Discussion of Actuarial Methods and Assumptions

The first task to be addressed by this actuarial review of SCRS is to look at the actuarial assumptions and methods used in the actuarial valuation of SCRS as to their reasonableness, consistency, and appropriateness. To do this, we have reviewed the actuarial valuation of SCRS as of July 1, 1989 and the results of the actuarial experience study dated September, 1989.

As a result of the experience study, several actuarial assumptions have been changed between the 1988 actuarial valuation and the 1989 valuation. These assumptions include withdrawal rates for employees other than teachers, rates of retirement, post-retirement mortality, and the investment return assumption. Based on the information contained in the experience study, it appears that all of the changes made by the Board are reasonable and justified.

It is important to note, however, that it is beyond the scope of this review to provide an independent verification of the experience data utilized in developing the new actuarial assumptions. Nevertheless, based on our experience with other state-wide retirement systems, all actuarial assumptions that are currently being used appear reasonable and consistent.

The most highly visible of the changes in the actuarial assumptions is the increase in the assumed investment return from 7-1/2% to 8%. Given the investment policy of SCRS (all fixed income securities), and given the recent and future anticipated investment climate for fixed income securities, we believe the 8% investment return assumption is appropriate and justified. It is also consistent with the range of investment return assumptions that we utilize in our actuarial valuations of state-wide retirement plans, and it is certainly within the range of what is found in use nationwide among state-wide retirement systems.

As to actuarial valuation methods, the valuation process uses both an actuarial liability valuation method and an actuarial asset valuation method.

The actuarial liability valuation method is described in the valuation report as "projected benefit with level percentage entry age normal cost and open-end unfunded accrued liability". A shorter name for this valuation method is typically "level percentage of pay entry age normal". Our review of Section 9-1-1060 and 9-1-1070 of the SCRS statutes indicates that the use of the entry age normal (EAN) valuation method is not only appropriate but is the one specifically called for under the terms of those two sections of the SCRS statutes. While there are other acceptable actuarial liability valuation methods available, the EAN method is the

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one which is most commonly used by state-wide retirement systems. A key characteristic of the EAN method is that (when consistently applied) it produces a cost that is relatively stable as a percentage of payroll over successive generations of taxpayers. We therefore believe that it is entirely appropriate and consistent to utilize the EAN valuation method for SCRS.

The actuarial asset valuation method is described as "adjusted amortized cost". We have visited with members of the SCRS staff in order to understand the investment policy and the investment procedures followed by the Budget and Control Board. It is our understanding that the investment policy essentially involves investing all assets in fixed income securities and following a "buy and hold" procedure rather than the fund being subjected to frequent sales and purchases for capital appreciation. It is further our understanding that trading of fixed income securities is largely limited to bond swaps, i.e., selling one bond issue and purchasing another bond issue for improvement of yield rather than realization of capital gains.

Since the SCRS investment policy does not involve aggressive, market timing decisions, and since capital gains are not a criteria for investment, the current actuarial asset valuation method of amortized cost is entirely appropriate. In fact, we would take the position that any other asset valuation method that would incorporate a recognition of market values would be inconsistent with the System's investment policy.

Based upon activity in the state legislature during the current 1990 session, possibly the most currently discussed assumption in the actuarial valuation relates to future cost-of-living adjustments (COLAs). The valuation assumption provides that future 4% COLAs are reflected in actuarial liabilities for those members who are currently retired and for those active members who are eligible to retire as of the valuation date. More will be said of this particular assumption in Section VI of this report.

Based on our review of the actuarial assumptions and methods, we are able to make the following observations:

- The assumptions appear reasonable in the aggregate.
- The investment return assumption of 8% appears reasonable based on the current investment policy.
- The actuarial asset valuation method is consistent with the current investment policy.

- The salary scale assumption, the investment return assumption, and the COLA assumption appear consistently related.
- The assumptions for death, disability, withdrawal, and retirement ("the decrements") appear reasonable and appropriate (with the proviso discussed below).
- The post-retirement mortality assumption has been updated and strengthened since 1988 to provide adequate margins for future mortality improvement.
- The actuarial liability valuation method is acceptable under common actuarial practice, and is consistent with the method used by most other state-wide retirement systems.

The one comment we wish to make concerning the format of the actuarial assumptions concerns the nature of the withdrawal rates and the retirement rates. These two decrements, in contrast to the decrements of death and disability, might be restructured in a future experience study. All four decremental assumptions (death, disability, retirement, and withdrawal) are in a form known as "aggregate assumptions". This means that they are a function only of age. Another form of actuarial assumptions as utilized by large retirement plans is known as "select and ultimate assumptions". This means that the assumptions are a function not only of age, but also of service.

The assumption that is most easily understood from a select and ultimate viewpoint is the withdrawal assumption. Consider four employees who are currently age 35. Assume that one of these employees has been hired today, the second has two years of service, the third has five years of service, and the fourth has ten years of service. The likelihood that the newly hired 35-year old employee will quit in the following year is intuitively greater than that of the person who has been in the System for two years. The likelihood of the two-year person quitting within the next year is significantly higher than that of the ten-year person. The concept behind select and ultimate assumptions is to reflect how the withdrawal rate varies by years of service for specific attained ages, instead of using the average rate of withdrawal across all years of service for a given age (as embodied in the aggregate assumption).

Similarly, retirement rates can vary significantly for a given age depending upon the years of service. Under the SCRS retirement provisions, consider the case of an employee who is age 60. The 60-year old employee with five years of service is much less likely to retire than the 60-year old employee with 30 or more years of service.

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In a sense, the current actuarial assumption as to retirement rates does incorporate a select feature in that it increases the probability of retirement by 15% in the year in which the participant is first eligible to retire on an unreduced benefit, if that employee is below age 65. In other words, there is a select feature for each age at retirement in that the probability of retirement is higher if there are 30 years of service than if there are more than 30 years of service.

Because of the current structure of retirement eligibility in SCRS, a change to select and ultimate assumptions for retirement rates would probably produce less significant changes than if the System incorporated a more complex set of retirement eligibility features (for example, Rule of 80 or Rule of 85).

The true value of incorporating a select and ultimate feature into retirement and withdrawal rates would be not so much in changing the current actuarial status as in facilitating costing of more complex changes in retirement eligibility features.

It would therefore be our suggestion that select and ultimate withdrawal and retirement assumptions be considered in conjunction with the next experience study. We do not believe, however, that the incorporation of such changes at this time would alter the actuarial funding status of SCRS in any material way.



## Section V

### Application of Actuarial Methods and Assumptions to the Valuation of SCRS

The second phase of our study involves applying the actuarial methods and assumptions discussed in the previous section to the actuarial valuation of SCRS. In particular, we have applied those assumptions and methods to an analysis of the contribution rates, the determination of the unfunded actuarial accrued liability (UAAL), the funding or amortization period for the UAAL, and the proper valuation of the SCRS benefit structure.

In Section III we discuss the process that we have used in analyzing the data. After proper allowance and recognition of differences in calculation and rounding techniques, we have been able to verify and/or reproduce the following:

- We have verified that SCRS's data systems provide sufficient information to Buck for them to perform the retired life valuation.
- We have been able to verify and reproduce the retired life liabilities for each test record and each type of retirement option.
- For the six hypothetical active employees, we have reproduced exactly or within acceptable margins all major actuarial liability items and as well as the present value of future pay.
- We have been able to verify that the data received from SCRS reflected the benefit status as of June 30, 1989. As such, it included neither the 4% automatic COLA adjustment as of July 1, 1989, nor the special 7% adjustment provided by the 1989 legislature. We have determined, however, that Buck properly adjusted the calculated retiree liabilities for both increases when assembling the 1989 valuation results.
- We have been able to reconcile the actuarial assets as of June 30, 1989 with the financial statement assets reported by SCRS as of June 30, 1989, and we agree with the asset value used by Buck in the valuation procedure.
- We have reproduced the valuation numbers on the major liability items for the nearly 29,000 active employees included in the extract of the data tape that we received. Buck results have been reproduced within a reasonable tolerance for all major liability and present value of future pay categories.

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- We have determined that all major SCRS-provided benefits have been reflected within the calculated liabilities of the valuation report. In cases where the amount of the liability is directly under the control of the participant or the participant's beneficiary by virtue of an election the participant or beneficiary may make, the Buck valuation uses the appropriately conservative assumption that the participant does not select against himself or herself. In other words, Buck's procedure is to take the conservative assumption that the participant's choice will maximize the cost of the choice to the System.
- We have been able to reproduce and verify all summary actuarial data found in the valuation report. In particular, we have verified the following total information from Schedule A, page 10, of the 1989 actuarial valuation:
  - present value of future benefits
  - assets of the System
  - present value of future member contributions
  - present value of future normal contributions by employers
  - unfunded actuarial accrued liability
  - unfunded actuarial accrued liability contribution rates
  - unfunded actuarial accrued liability liquidation period
- We have verified the normal cost contribution as a percent of compensation as shown in Section 1 of the 1989 actuarial valuation report.
- We have verified that the calculation of the amortization period for the UAAL properly reflects the assumed payroll growth assumption of 4%.
- The actuarial assumptions and methods have been consistently applied under commonly acceptable actuarial practice.
- The calculation of retired life liabilities properly reflects the pattern of actual payment of those benefits.

- Based on Buck's discussion of their data preparation procedures, it is apparent that due care is taken to ensure that all members who should be included in either the active or the retired valuation are in fact included.
  - It appears that Buck follows consistent procedures to screen or edit the data received from the System to isolate any data inconsistencies or discrepancies.
  - Buck takes steps to process in a reasonable manner any data records which have inconsistencies that render those records unable to be accurately valued.
- Buck estimates the actuarial liability for inactive members as two times those members' accumulated contributions.

Concerning the valuation techniques, the only comment that we would have (and this is a very minor one) concerns the handling of liabilities for inactive members. From an actuarial purist's standpoint, it would be preferable to calculate the deferred retirement liability more exactly on those inactive members who are entitled to a vested deferred benefit.

Since Buck does not currently receive sufficient information to perform a valuation and to separate the vested inactive participants from the nonvested inactive participants, the current approach is reasonable and acceptable given the overall size of this liability (\$154 million) to the total actuarial liability (\$11.6 billion). Buck and SCRS might, nevertheless, look at the data availability on this group of inactive participants to determine if a more accurate determination of the liability might be possible. It may turn out, however, that the cost of providing that information would outweigh any improvement in the meaningful accuracy of the results produced by that effort.

In the course of our verification of the unfunded UAAL and the funding period associated with the UAAL, we have looked at the sensitivity of the funding period to changes in the UAAL. Our analysis indicates that each \$100 million change in the UAAL results in a two to three-year change in the associated funding period, assuming no change in the underlying contribution rate that is allocated to funding the UAAL.

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## Section VI

### Financial Integrity of SCRS

The third task of this report is to assess the financial integrity of SCRS as to its ability to pay the benefits provided by it, based on the foregoing analysis. The final task is to address whether there are any other issues that might affect that financial integrity.

To address these two issues it is necessary to make the same qualification that Buck's valuation report makes in its cover letter to its 1989 valuation. That statement is "the schedule of valuation results included in this report correctly presents the condition of the South Carolina Retirement System as to those benefits which are funded on an actuarial reserve basis" (emphasis added). The significance of this qualification is the COLA funding issue and will be addressed below.

With the important exception of the COLA provision of the SCRS statutes, our analysis and review of the actuarial valuation results allow us to form the following opinions:

- All significant benefit provisions of SCRS have been valued (subject to the discussion below of the COLA provision).
- For each benefit provision being valued, that benefit is being valued properly or conservatively from an actuarial standpoint.
- The funding period reported by Buck can be substantiated and verified by the valuation results, based upon the current contribution structure (28 years for the 1989 valuation).
- All factors affecting the eventual payment of benefits are being adequately anticipated by the results (qualified as noted below as it relates to the COLA provisions).
- The actuarial results adequately reflect the current actuarial condition of the System (subject to the COLA issue).
- The funding period developed by the valuation falls within acceptable actuarial guidelines.

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- The current contribution rates are sufficient to maintain the financial integrity of SCRS, except as noted below concerning the COLA provision.

There are several miscellaneous items connected with the benefit structure of SCRS that are not reflected in the valuation. It is not believed, however, that any of these would significantly alter the basic results and findings of the valuation. These items include the following:

- It is assumed for valuation purposes that an active member who terminates vested in the future will not select against himself/herself by electing a refund of contributions if the refund has a lesser actuarial value than the vested benefit that is forfeited by the refund. When such an election occurs by a member, the valuation procedure will produce an actuarial gain.
- There is no recognition of the inclusion of unused annual leave in the calculation of the final average compensation. The ability to include compensation for unused annual leave is available to state employees and to employees of certain political subdivisions. When this does occur, the actual final average compensation may be inflated and an actuarial loss will result.
- There is no recognition of the additional liability created in the transferred-from retirement system due to pay increases under a transferred-to system in PORS/SCRS transfers. Instead when the retirement of such a transferred individual occurs, there is an actuarial loss created in the year of retirement with respect to that employee in the transferred-from system.

As already noted, it is not anticipated that any of these omissions would cause a measurable change in the calculation of the funding period or of the unfunded actuarial accrued liability. It might be instructive, however, to monitor the size of the actuarial losses that are realized upon retirement of an employee involved in a PORS/SCRS transfer situation in order to ascertain the size of the loss that is occurring due to that benefit provision.

The valuation results also do not take into account the liability for those retirement benefits which are funded on a pay-as-you-go basis by the State through the process of an additional appropriation. Based on our conversations with SCRS staff and with Buck, it is our understanding that these benefits essentially cover a closed group of retirees. Therefore, the annual appropriation is increased from one year to the next by the action of the automatic COLA provision and is decreased from one year to the next by the death of retired members from this closed group.

- The current contribution rates are sufficient to maintain the financial integrity of SCRS, except as noted below concerning the COLA provision.

There are several miscellaneous items connected with the benefit structure of SCRS that are not reflected in the valuation. It is not believed, however, that any of these would significantly alter the basic results and findings of the valuation. These items include the following:

- It is assumed for valuation purposes that an active member who terminates vested in the future will not select against himself/herself by electing a refund of contributions if the refund has a lesser actuarial value than the vested benefit that is forfeited by the refund. When such an election occurs by a member, the valuation procedure will produce an actuarial gain.
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The valuation results also do not take into account the liability for those retirement benefits which are funded on a pay-as-you-go basis by the State through the process of an additional appropriation. Based on our conversations with SCRS staff and with Buck, it is our understanding that these benefits essentially cover a closed group of retirees. Therefore, the annual appropriation is increased from one year to the next by the action of the automatic COLA provision and is decreased from one year to the next by the death of retired members from this closed group.



Since the SCRS statutes contemplate these benefits being funded as a pay-as-you-go basis, it would not be proper to incorporate their liability into the valuation process. It might be helpful from time to time, however, to assess the approximate outstanding actuarial liability that the State has with respect to these minimum benefits financed on a pay-as-you-go basis. Based on very preliminary information supplied by SCRS, we would estimate that the current liability for this closed group is less than \$100 million, even after allowance is made for future COLA increases.

The most significant issue involving the financial integrity of SCRS and the continued viability of the current contribution structure is the funding of future COLAs. Since this issue has already come under significant discussion in conjunction with the papers presented by Winklevoss and Associates and Milliman and Robertson, and commented on by both Buck and Wyatt, we will not go into all of those same issues in this report. The Board has previously received comments from both Buck and Wyatt on this COLA funding issue.

For purposes of this report, we would only comment that we do not believe the current contribution levels are sufficient to continue the 4% COLAs indefinitely into the future. As both the Buck and the Wyatt responses to the Winklevoss report and the Milliman and Robertson report indicate, it is our opinion that the protective provisions of SCRS statutes relating to providing these COLAs will have to be put into effect some time in the future.

To the extent that the actuarial valuation method utilized in the Buck report recognizes the future COLA liability for present retired members and present active members who are eligible to retire, the current contribution rate structure is sufficient to continue to provide the benefits contained in this SCRS statute. As Wyatt stated in its earlier report on the COLA funding issue, it is still our opinion that the safety mechanism of SCRS statutes will need to come into play somewhere in the future. In other words, somewhere in the future it will be necessary to either increase contribution rates or to reduce the COLA increases to maintain an adequate funding position for SCRS. When that point in time will be reached is beyond the scope of this report. The timing of that event is significantly impacted by the continued generation of investment gains to help absorb the cost of future COLA increases.

Given the constraints of SCRS statutes concerning the COLA funding issue and based upon the input of SCRS staff and Buck, we are still of the opinion that Buck's current valuation methodology and the resulting 28-year funding period (as of July 1, 1989) are a reasonable portrayal of the financial integrity of SCRS.

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## Section VII

### Other Comments

As noted in earlier sections, we wish to express our gratitude to both the staff of SCRS and to Buck for their cooperation and assistance on the items covered by this study.

It is our opinion that the Budget and Control Board can take comfort in the results being presented to it in Buck's valuation of SCRS, as long as the limitations concerning the COLA financing issue are kept in mind.

It is also our opinion that the 28-year funding period developed by Buck's 1989 valuation of SCRS is an accurate portrayal of the current financial status of SCRS, subject to the COLA funding limitations.

In addition, as stated in our report addressing the Winklevoss and Milliman and Robertson reports, we believe the funding technique utilized by Buck as it relates to the COLA funding issue is a proper and consistent approach as long as there is no evidence that the SCRS COLA provision is to be interpreted as permanent or automatic. In other words, the current procedure is acceptable as long as there is not evidence to the contrary that corrective action will be taken so that no COLA increase will be granted if, by so doing, the funding of SCRS is endangered without a concurrent contribution rate increase.

EXHIBIT

MAY 8 1990

1

STATE BUDGET & CONTROL BOARD

14223

# EXHIBIT

MAY 8 1990

2

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA

MEETING OF May 8, 1990

ITEM NUMBER

2

AGENCY: General Services

SUBJECT: Easements

The Division of General Services recommends that the Board approve the following easements in accord with Code Section 1-11-90:

- a. County Location: Beaufort County  
From: State of South Carolina  
To: Beaufort-Jasper Water & Sewer Authority  
Description/Purpose: revision to easement granted 3/6/89 (install 12" ductile iron effluent force main sewerline below the mean high water level of the Beaufort River); extend discharge pipe from 255' long to 540' long  
Consideration: \$-0-
- b. County Location: Greenville County  
From: State of South Carolina  
To: Western Carolina Regional Sewer Authority  
Description/Purpose: install and maintain an aerial sanitary sewer crossing the Reedy River  
Consideration: \$1.00

BOARD ACTION REQUESTED:

Approve the referenced easements as recommended by the Division of General Services.

ATTACHMENTS:

Agenda item worksheets; referenced easements

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"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution."

**§ 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.**

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

HISTORY: 1962 Code § 1-357.1; 1963 (53) 177.

**Cross references—**

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

**§ 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.**

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

HISTORY: 1962 Code § 1-357.2; 1963 (53) 177.

**Cross references—**

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

**§ 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.**

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357.3; 1963 (53) 177.

**Cross References—**

As to authority of State institutions and agencies to grant easements and rights of way, see § 10-1-130.

**Research and Practice References—**

63A Am Jur 2d, Public Lands § 115.

75B CJS, Public Lands §§ 178, 180.

17 Am Jur Legal Forms 2d, States, Territories, and Dependencies § 239:21 (agricultural lease-provision-reservation of right to grant easements).

**§ 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.**

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177.

**Cross references—**

As to composition, powers and duties of State Budget and Control Board generally, see Chapter 11 of Title 1.

As to the State Budget and Control Board, generally, see §§ 1-11-10 et seq.

As to execution of conveyances of such easements, see § 1-11-100.

**§ 25-1-1660. Transfer of surplus armories to political subdivisions.**

The State Budget and Control Board may transfer to a political subdivision ownership of a national guard armory being replaced and declared surplus if the political subdivision has donated real property for use as a site for a replacement armory.

HISTORY: 1985 Act No. 201, Part II, § 12, eff June 20, 1985.

STATE BUDGET & CONTROL BOARD

MAY 8 1990

2

EXHIBIT

14225

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 8, 1990

Blue Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature:

*Wayne F. Kelly*  
Richard W. Kelly

2. Subject:

Easement (Revised) from the STATE to Beaufort-Jasper Water & Sewer Authority, Beaufort County (Shell Point Project)

3. Summary Background Information:

On March 6, 1989, the Budget and Control Board approved an easement to the Beaufort-Jasper Water and Sewer Authority. On February 16, 1990, the Sewer Authority requested, through the Water Resources Commission, a revision of the plan to extend the discharge pipe from 255' long to 540' long. The construction project was permitted by the South Carolina Coastal Council.

This is an extension of the easement granted by the Board on March 6, 1989; the easement has been approved by the Attorney General's Office.

Mr. Moss, General Manager, has signed the revised document on behalf of the Authority.

4. What is Board asked to do?

Approve the grant of this revised Easement to BJW&SA, in accordance with Section 1-11-90, S.C. Code of Laws, 1976 as amended.

5. What is recommendation of Board Division involved?

That the revised Easement be approved as proposed.

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

(a) Authorized Signature:

(b) Division/Agency Name:

7. List of Supporting Documents:

(a) Attached:

1. Original Easement Document with Plat
2. Statutory Authority 1-11-90

# EXHIBIT

MAY 8 1990

2

## STATE BUDGET &amp; CONTROL BOARD

S T A T E      O F      S O U T H C A R O L I N A )  
C O U N T Y    O F    B E A U F O R T )

## EASEMENT

THIS EASEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1990, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and Beaufort-Jasper Water and Sewer Authority, as Grantee (hereinafter "AUTHORITY"); this is an extension of an easement granted to the Authority by the State Budget and Control Board, dated March 6, 1989, and Recorded in Book 525, at pages 1037 through 1043, March 20, 1989, in the office of the Beaufort County, SC, Register of Mesne Conveyance.

W I T N E S S E T H

WHEREAS, the Authority administers the on going construction and operation of water and wastewater facilities to serve residents of Beaufort and Jasper Counties. Authority's mailing address is Beaufort-Jasper Water and Sewer Authority, William D. Moss, Jr., General Manager, Post Office Box 2149, Beaufort, South Carolina 29901-2149, and

WHEREAS, the AUTHORITY proposes to install a 12 inch ductile iron sewerline effluent force main terminating the the Beaufort River to remove all surface discharges from Battery Creek, resulting in the opening of all shellfish waters in Battery Creek and full certification of SA Waters in Beaufort County, South Carolina. The easement area is more particularly shown and delineated on a plat prepared for Beaufort-Jasper Water & Sewer Authority by B. P. Barber & Associates, Columbia, South Carolina, dated July 14, 1988, attached hereto.

WHEREAS, pursuant to §1-11-90 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of pipe lines, water and sewer lines over, on or under such vacant lands or marshlands as are owned by the STATE; and



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

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of ONE AND NO/100 (\$1.00) Dollars and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto the AUTHORITY its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Beaufort County and lying below the mean high water line.

This easement of right-of-way shall be used solely for the purposes incidental with the installation, operation and maintenance of a 12 inch ductile iron effluent force main sewerline to be installed below the mean high water level of the Beaufort River, located in Beaufort County, South Carolina. The easement area is more particularly described as follows:

During the construction phase the easement area described below will measure 50' in width (25' on each side of centerline).

The permanent easement is 15 feet wide (7.5 feet each side of centerline); beginning on the western bank at the mean high water line of the Beaufort River at point "A" on a bearing extending South 89 degrees 49 minutes East a distance of 540 feet to point "B" in the the Beaufort River; thence from point "B" on a bearing extending South 00 degrees 11 minutes West a distance of 50 feet to point "C"; thence from point "C" on a bearing North 89 degrees 49 minutes West a distance of 540 feet to point "D" at the mean high water level on the West bank of the Beaufort River; thence from point "D" on a bearing North 00 degrees 11 minutes East a distance of 50 feet to point "A" and the true point of beginning of said easement.

The easement area and sewerline are more particularly shown and delineated on a plat showing a pipeline easement into the Beaufort River prepared by B. P. Barber & Associates, Columbia, South Carolina, dated -July 14, 1988, REVISED: "A"- "B", "C"- "D" FROM 255' to 540' FEB. 15, 1990, attached hereto and incorporated herein.

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

The AUTHORITY hereby agrees and covenants with the STATE that the AUTHORITY, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife,

or water quality in its use of the easement area. The AUTHORITY shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said sewerline, and shall maintain such easement area and sewerline in good condition.

The AUTHORITY further agrees and covenants that the AUTHORITY shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

The AUTHORITY will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if the AUTHORITY, its successors and assigns: (1) quits and abandons all use of such sewerline in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 8th day of May, 1990.

WITNESSES:

Florence O. Roach  
Michael L. Thompson

STATE OF SOUTH CAROLINA  
BUDGET & CONTROL BOARD

BY:

Carroll A. Campbell, Jr.  
Governor Carroll A. Campbell, Jr.  
Chairman, Budget and Control Board

WITNESSES:

Rory Meekers  
James D. Ward

By

William D. Ward  
General Manager  
Title

Approved  
OFFICE OF THE ATTORNEY GENERAL

By:

Kenneth P. Woodington  
Kenneth P. Woodington

Date:

4/3/90



EXHIBIT

MAY 8 1990

2

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

PERSONALLY appeared before me FLORENCE O. ROACH and made oath that he/she saw the within named State of South Carolina, Budget and Control Board, by its Chairman, Governor Carroll A. Campbell, Jr., sign, seal, and as its act and deed deliver the within written Easement, and that he/she, along with Michael L. Thompson, witnessed the execution thereof.

Florence O. Roach

SWORN to before me this 14th  
day of May, 1990.

Jay Robins (L.S.)  
Notary Public for South Carolina

My Commission Expires: 3-21-95

\*\*\*\*\*

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PERSONALLY appeared before me Janice L. Ward and made oath that he/she saw the within named Beaufort-Jasper Water and Sewer Authority by William D. Moss, Jr., its General Manager, sign, seal, and as its act and deed deliver the within written Easement, and that he/she, along with Mary S. Medders, witnessed the execution thereof.

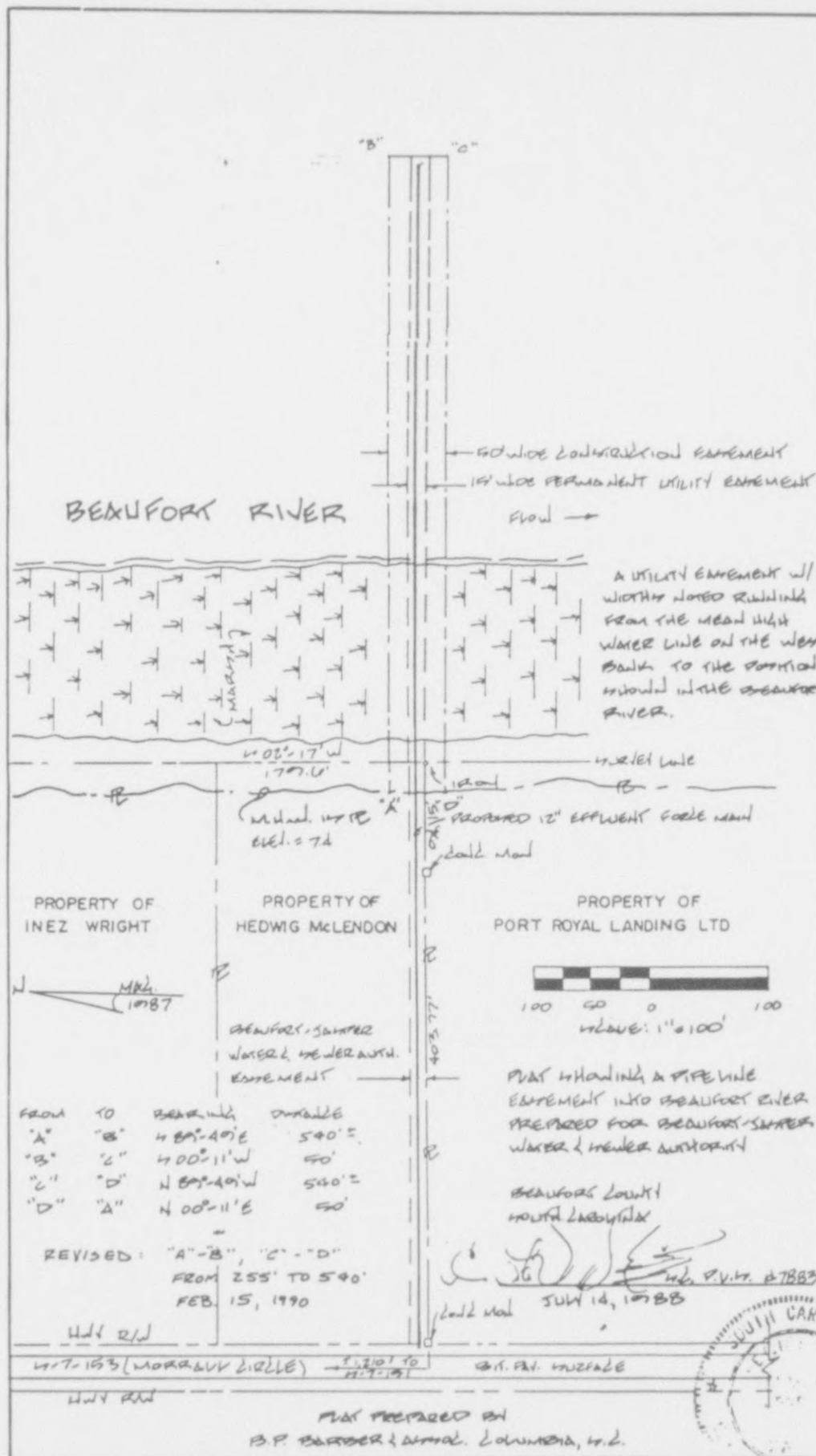
Janice L. Ward

SWORN to before me this 20th  
day of April, 1990.

Mary S. Medders (L.S.)  
Notary Public for South Carolina

My Commission Expires: Oct. 15, 1990

14231



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 8, 1990

Blue Agenda

1. Submitted By:

- (a) Agency: Division of General Services  
(b) Authorized Official Signature:

*Richard W. Kelly*  
Richard W. Kelly

2. Subject:

Easement to Western Carolina Regional Sewer Authority from the STATE,  
Greenville County

3. Summary Background Information:

Western Carolina Regional Sewer Authority, a political subdivision of the State, proposes to install and maintain an aerial sanitary sewer crossing the Reedy River. The aerial sewer line which measures 48" in diameter will be installed a minimum of 9.3' above normal water level and adjacent to the Cleveland Street bridge in the City of Greenville. The easement area is 25' wide (12.5' each side of centerline) and 53.82' long (0.04 acres).

The easement has been approved by the Attorney General's Office, and is signed on behalf of the Authority by its acting director, Charles Douglass.

A consideration of \$1.00 is acknowledged.

4. What is Board asked to do?

Approve the grant of this Easement to Western Carolina Regional Sewer Authority, in accordance with Section 1-11-90, S.C. Code of Laws, 1976 as amended.

5. What is recommendation of Board Division involved?

That the Easement be approved as proposed.

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

- (a) Authorized Signature:  
(b) Division/Agency Name:

7. List of Supporting Documents:

- (a) Attached:  
1. Original Easement Document with Drawing  
2. Statutory Authority 1-11-90

14233

(b)



# EXHIBIT

MAY 8 1990

2

STATE OF SOUTH CAROLINA )  
COUNTY OF GREENVILLE )

## STATE BUDGET & CONTROL BOARD EASEMENT

THIS EASEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1990, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and WESTERN CAROLINA REGIONAL SEWER AUTHORITY as Grantee (hereinafter "WCRSA").

### WITNESSETH

WHEREAS, WCRSA is a special sewer district responsible for trunk sewers and treatment facilities for the counties of Greenville, Laurens and Pickens, and WCRSA's mailing address is Post Office Box 5242, Greenville, South Carolina; and

WHEREAS, WCRSA proposes to install, operate and maintain a sanitary sewer aerial crossing at the Reedy River in the City of Greenville, Greenville County, South Carolina. The aerial sewer line and easement area are more particularly shown and delineated on a RIGHT-OF-WAY PLAT for WEST REGIONAL SEWER AUTHORITY, Project No. 89-3192-A, date July 18, 1989, which is attached hereto and incorporated herein.

WHEREAS, pursuant to Section 1-11-90 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of pipe lines, water and sewer lines over, on or under such vacant lands or marshlands as are owned by the STATE; and

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

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of ONE AND NO/100 (\$1.00) Dollars and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and

release unto WCRSA its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Greenville County and lying below the mean high water line.

This easement of right-of-way, 25' wide, shall be used solely for the purposes incidental with the installation, operation and maintenance of an aerial sanitary sewer line crossing the Reedy River near the Cleveland Street bridge located in the City of Greenville, Greenville County, South Carolina. The easement area is more particularly described as follows:

Said permanent easement 25' wide, 12.5' each side of centerline, contains 0.04 acres, more or less, and measures 1728 square feet. Centerline of said easement area is referenced to centerline of the southernmost end of Cleveland Street Bridge thence on a bearing S 50°25'14" W 53.82' more or less and turning on a bearing N 36°22'49" W a distance of approximately 65'. From the true point of beginning at the Eastern bank, the easement area crosses the Reedy River on a bearing N 36°22'49" W a distance of 70.25'; thence S 71°5'30" W a distance of 26.21'; thence from the Western bank crossing the River on a bearing S 36°22'49" E a distance of 68.01'; thence, on a bearing N 75°38'52" E a distance of 26.97'; thence to the point of beginning on a bearing N 40°5'23" W a distance of .00613'.

The easement area and sewer line are more particularly shown and delineated on a plat entitled RIGHT-OF-WAY PLAT for West Carolina Regional Sewer Authority, Project No. 89-3192-A, prepared by Landrith Surveying, Fredrick E. Landrith R.L.S. 9545, date July 18, 1989, attached hereto and incorporated herein by reference as Exhibit "A."

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

WCRSA hereby agrees and covenants with the STATE that WCRSA, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. WCRSA shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said sanitary sewer line and shall maintain such easement area and sewer line in good condition.

WCRSA further agrees and covenants that WCRSA shall indemnify and hold harmless the STATE from and against any and all liabilities,

claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

WCRSA will comply with and be bound by any and all applicable State statutes, regulations, and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if WCRSA, its successors and assigns: (1) quits and abandons all use of such sewer line in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.



IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 8th day of May, 1990.

STATE OF SOUTH CAROLINA  
BUDGET & CONTROL BOARD

WITNESSES:

Florence O. Roach  
Michael R. Thompson

BY:

Carroll A. Campbell, Jr.

Governor Carroll A. Campbell, Jr.  
Chairman, Budget and Control Board

WESTERN CAROLINA REGIONAL SEWER  
AUTHORITY

WITNESSES:

P. Bryan Wright  
Linda G. Elkins

By

Charles Doughan

ACTING DIRECTOR  
Title

Approved OFFICE OF  
THE ATTORNEY GENERAL

By: Kenneth B. Wooding

Date: 4/3/90

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

PERSONALLY appeared before me FLORENCE O. ROACH and made oath that he/she saw the within named State of South Carolina, Budget and Control Board, by its Chairman, Governor Carroll A. Campbell, Jr., sign, seal, and as its act and deed deliver the within written Easement, and that he/she, along with MICHAEL L. THOMPSON, witnessed the execution thereof.

Florence O. Roach

SWORN to before me this 14th  
day of May, 1990.

Joy Adams (L.S.)  
Notary Public for South Carolina

My Commission Expires: 3-21-95

\*\*\*\*\*

STATE OF SOUTH CAROLINA )  
COUNTY OF GREENVILLE )

PERSONALLY appeared before me P. Bryan Wright and made oath that he/she saw the within named WCRSA, by Charles R. Douglass, its Acting Director, sign, seal, and as its act and deed deliver the within written Easement, and that he/she, along with Linda G. Elkins, witnessed the execution thereof.

P. Bryan Wright

SWORN to before me this 20th  
day of April, 1990.

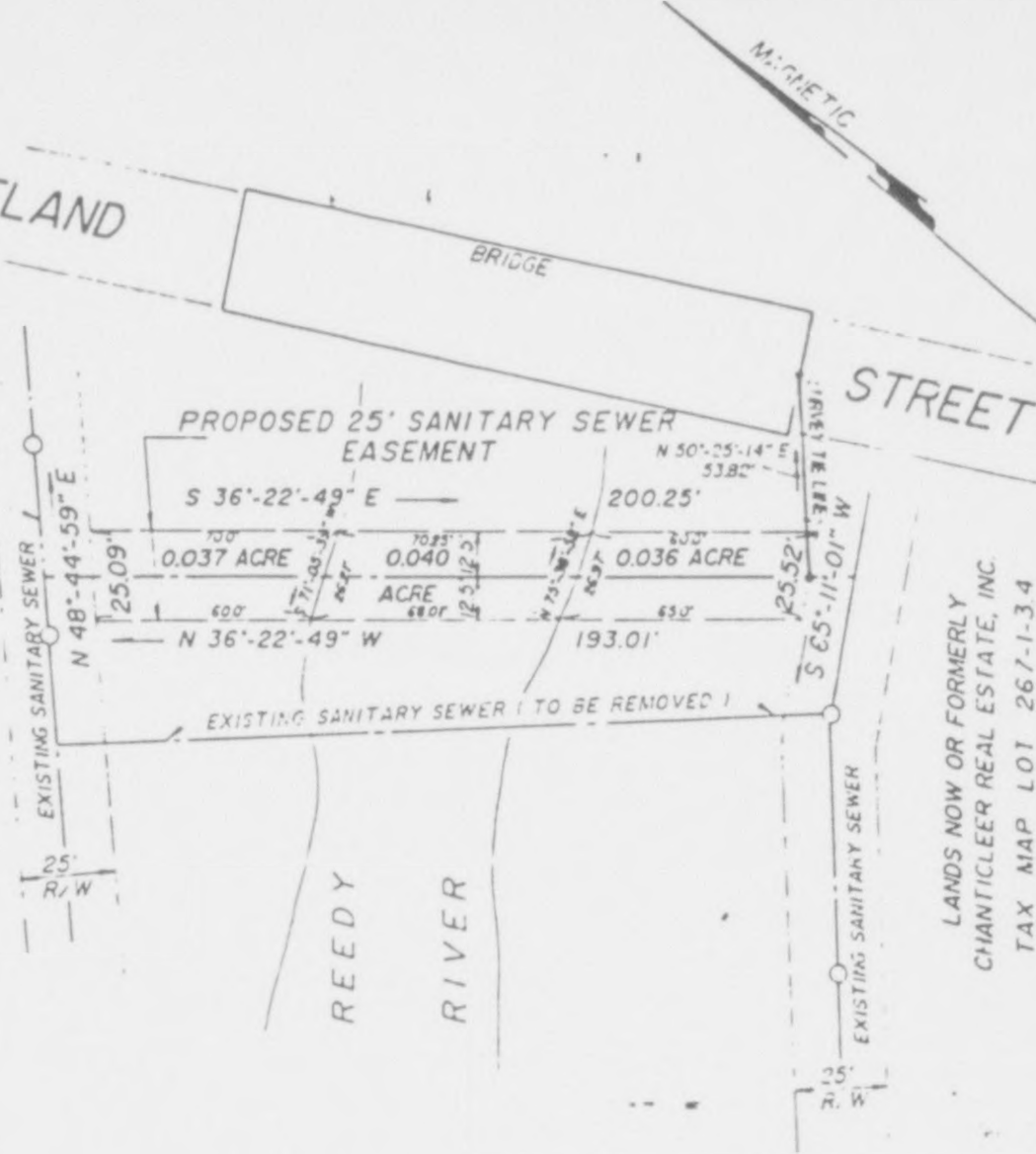
Linda G. Elkins (L.S.)  
Notary Public for South Carolina

My Commission Expires: 2-20-91

14238

CLEVELAND

LANDS NOW OR FORMERLY  
MAQ/CROSSROADS ASSOCIATES LTD PARTNERSHIP  
TAX MAP LOT 202-3-7.4



LANDS NOW OR FORMERLY  
CHANTICLEER REAL ESTATE, INC.  
TAX MAP LOT 267-1-3.4

THIS IS TO CERTIFY THAT THE RATIO  
OF PRECISION OF THE FIELD SURVEY  
IS 1/10,000. AND THE AREA WAS  
DETERMINED BY THE COORDINATE  
METHOD OF AREA CALCULATIONS.

*Fredrick E. Landrith*  
FREDRICK E. LANDRITH R.L.S. 9545

EXHIBIT

MAY 8 1990

2

STATE BUDGET & CONTROL BOARD

**LS** LANDRITH SURVEYING  
Land Surveys Topographical Maps  
Construction Layout  
315 EAST BROAD STREET GREENVILLE, S. C. 29601  
(803) 271-8334  
50' 0 50'  
SCALE 1" = 50'



STATE of SOUTH CAROLINA  
COUNTY of GREENVILLE  
RIGHT-OF-WAY PLAT  
FOR  
WEST CAROLINA REGIONAL  
SEWER AUTHORITY  
**14239**

SURVEYED BY	CHK'D BY FEL.
DRAWN BY MAC.	DATE JULY 18, 1989

SEAL

PROJECT NO. 89-3132-A

EXHIBIT "A"

THE FIRST MAC/HMD, INC. 142331



# EXHIBIT

MAY 8 1990

3

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER 3

AGENCY: Budget Division

SUBJECT: Operating Transfers Impacting Appropriations

The Division has prepared its first monthly report on operations transfers that may affect appropriations. A cumulative schedule will be submitted monthly.

This report includes a total of \$433,718 and involves three agencies.

BOARD ACTION REQUESTED:

Receive as information a report on operating funds transfers that may affect appropriations that totals \$433,718 and involves three agencies.

ATTACHMENTS:

Agenda item worksheet; attachment

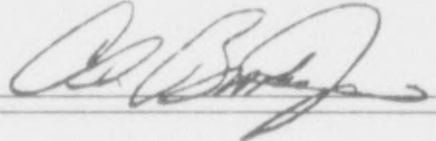
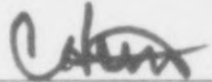
14240

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

90-64

Meeting Scheduled for: May 9, 1990

Blue Agenda

1. Submitted By:  
(a) Agency: State Budget Division  
(b) Authorized Official Signature: 
2. Subject:  
Monthly Operating Transfer Report That May Affect Appropriations
3. Summary Background Information:  
The State Budget Division herewith submits its first monthly report on those operations transfers that may affect appropriations. The Division will submit this cumulative schedule monthly.
4. What is Board asked to do?  
Information.
5. What is recommendation of Board Division involved?  
Information  

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

**EXHIBIT**

- (a) Authorized Signature: \_\_\_\_\_
  - (b) Division/Agency Name: \_\_\_\_\_
- MAY 8 1990 3
7. Supporting Documents:  
(a) List Those Attached:  
1. Monthly Transfer Report  
2. Supporting Detail  
(b) List Those Not Attached But Available From Submitter:

STATE BUDGET & CONTROL BOARD

14241

SCHEDULE OF TRANSFER REQUESTS APPROVED  
THAT MAY AFFECT APPROPRIATIONS

DATE APPROVED	AGENCY NO.	AGENCY	SOURCE OF FUND	AMOUNT OF FUND	FROM	TO	COMMENTS
(A) 4/26/90	D10	STATE LAW ENFORCEMENT	STATE	\$155,300	ENFORCEMENT & LABORATORIES OTHER OPERATING EXPENSES	ADMINISTRATION OTHER OPERATING EXPENSES	TO REALIGN PROGRAM COSTS
(B) 4/16/90	H91	ARTS COMMISSION	STATE	34,418	STATEWIDE ART SERVICES AID TO SCHOOL DISTRICTS	STATEWIDE ART SERVICES PERSONAL SERVICES	TO COVER INCREASED PERSONAL SERVICE COSTS DUE TO RECLASSIFICATION
(C) 4/10/90	N08	PROBATION AND PAROLE	STATE	244,000	COMMUNITY CORRECTIONS OTHER OPERATING EXPENSES	COMMUNITY CORRECTIONS PERSONAL SERVICE & EMPLOYER CONTRIBUTIONS	TO COVER THE VACANCY RATE AND VACANCY FACTOR
TOTAL FOR APRIL				----- \$433,718 *****			

PREPARED  
MAY 1, 1990

14242



1200 310,600 PAGE \_\_\_\_ OF \_\_\_\_  
AGENCY NUMBER AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL TOTAL BATCH AMOUNT BATCH DATE BATCH NUMBER DOCUM  
D10 T0053 ~~5500~~ ~~378,000~~  
AGENCY VOUCHER NUMBER

T00053  
AGENCY TRANSFERRED TO (CRI)  
NAME  
SLED  
ADDRESS  
P. O. Box 21398  
Columbia, SC

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

C.G. WARRANT NUMBER

AGENCY TRANSFERRED FROM (I)

NAME

ADDRESS

SAME

REASON FOR TRANSFER: (SEE ATTACHED LETTER)

FROM

*To reflect open expenses in one central page where possible. S.B.*

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	D10	0031	1001					C. S. Vcs.	0200	153,000	150
10	350	D10	0031	1001					F. Chgs.	0400	2,300	150
<del>10</del>	<del>350</del>	<del>D10</del>	<del>0031</del>	<del>1001</del>					<del>Light</del>	<del>0200</del>	<del>28,000</del>	<del>001</del>
<del>10</del>	<del>350</del>	<del>D10</del>	<del>0031</del>	<del>1001</del>					<del>Light</del>	<del>0400</del>	<del>5,000</del>	<del>150</del>
TOTAL											0600 155,300	88

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	D10	0030	1001						0200	153,000	001
10	300	D10	0030	1001						0400	2,300	001
<del>10</del>	<del>300</del>	<del>D10</del>	<del>0030</del>	<del>1001</del>						<del>0200</del>	<del>28,000</del>	<del>150</del>
<del>10</del>	<del>300</del>	<del>D10</del>	<del>0030</del>	<del>1001</del>						<del>0400</del>	<del>5,000</del>	<del>150</del>
TOTAL											0600 155,300	88 (A)

REQUESTED BY *Maria L. Lucas* DATE 4/18/90 STATE BUDGET ANALYST *Spencer* DATE 4-20-90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

14243

STATE AUDITOR

DATE

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 425  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., P.S.D.  
EXECUTIVE DIRECTOR

MEMORANDUM

**EXHIBIT**

MAY 8 1990

**3**

TO: George N. Dorn, Jr.  
FROM: Scott Barnes  
DATE: April 25, 1990  
SUBJECT: SLED Transfers and Realignment

**STATE BUDGET & CONTROL BOARD**

The following points are noteworthy in consideration of transfer attached (T0053).

- (1) SLED has submitted re-alignment requests for 1990-91 which should minimize the need for transfers of this type.
- (2) SLED is attempting to pay certain operating expenses from the Administration program in cases where the expense cannot be directly attributable to the program operation (exclusive of general operations).
- (3) SLED has over 58 percent of it's funds in Enforcement and Laboratories and only 7 percent in Administration at this time.
- (4) During the entire year 1989-90, SLED has net transfers of general funds only to cover the vacancy factor and travel reduction which all agencies had to take this year.
- (5) So far in 1989-90 SLED has transferred only two percent of its Enforcement ~~and~~ Laboratory program funds into other areas.
- (6) In the remaining phase of the 1990-91 Appropriations Bill deliberations, should 1990-91 amendments revert to the House Bill alignment, SLED will have a severe problem; since the present Senate Finance Base (compatible with the Budget and Control Board Bill) includes personal service funds of \$589,032 which the House Bill does not include. Significant transfers will be necessary early in 1990-91 in case these funds are lost by virtue of amendments between now and the time 1990-91 Bill is finalized.

**14244**

(A)

SLED Transfers and Realignment

Page Two

This office has received excellent cooperation from SLED during the recent past. We understand the task they have to do, and a very close monitoring process is in place between the State Budget Division and SLED's expenditure plans.

I recommend approval of Transfer T0053.

ag

Attachment

14245

(A)



# SOUTH CAROLINA LAW ENFORCEMENT DIVISION

CARROLL A. CAMPBELL, JR.  
Governor



ROBERT M. STEWART  
Chief

4400 Broad River Road (J.P. Strom Boulevard) • Mail: P.O. Box 21398  
Columbia, South Carolina 29221-1398 • Phone: 803/737-9000

April 18, 1990

Mr. Scott Barnes  
Budget & Control Board  
Budget Section  
E. A. Brown Building - 5th Floor  
1205 Pendleton Street  
Columbia, SC 29210

Dear Scott,

The attached request includes four budget level adjustments within two programs: Administration, and Enforcement and Laboratories.

During this fiscal year, as mentioned in previous transfers, many of the "Agency" expenses previously paid from separate program areas are being paid from Administration. Therefore, there is a need for an adjustment of \$153,000 for contractual services to cover telephone charges, utilities expenses, and janitorial services. The adjustment of \$2,300 for rental charges will provide funds needed for copier rental in Personnel and Investigations.

The adjustment of \$31,000 into the supplies budget level will provide adequate funding needed for the purchase of office furnishings in the different departments.

Your immediate attention to this request will be appreciated. Please call if you have any questions.

Sincerely,

*Beth Y. Grammer* 14246

Beth Y. Grammer  
Budget & Policy Analyst  
S. C. Law Enforcement Division

BYG/mcp  
Attachment  
RE: T00053

*4-23-90*  
*Alignment in 90-91*  
*should eliminate need for this*  
*Scott Administration*  
*transfer*  
*intent is to ultimately have*  
*reflect major*  
*programs which are not*  
*specifically related to*  
*operations and then*  
*Scott*

(A)



Transfer #10

April 16, 1990

Mr. Les Coles  
State Auditor - Budget Development  
Room 325, Edgar Brown Building  
Columbia, SC 29201

Dear Les:

The attached Appropriation Transfer is requested to realign the Personal Services (0100) line item.

The increase is needed to cover reclassifications for approximately twenty staff which were implemented at the end of FY:89 for which the agency received no increase in FY:90 State Appropriations to cover. Some funds in Aid to School Districts (1850) were not expended in FY:90 in anticipation of needing to do a transfer at the end of this fiscal year to cover the additional Personal Services.

Our budget request for FY:91 includes additional Personal Services appropriation to cover these salary increments. If the increase in Personal Services is not approved by the General Assembly, we will reserve operating funds to cover salary increments for the new fiscal year.

Sincerely,

*Susie Surkamer*

Susie M. Surkamer  
Deputy Director

SMS/fjq

14248

(B)



CH

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 525  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Melaine Barton  
Senate Finance Education Subcommittee

FROM: Les Boles *LB*  
State Budget Analyst

DATE: April 18, 1990

SUBJECT: Arts Commission Personal Service Shortfall

Enclosed is a copy of an appropriation transfer from the Arts Commission for \$34,418 which we are going to approve. Due to twenty staff reclassifications at the end of FY 1988-89, the agency is short in Personal Service funds and must move funds from Other Operating accounts.

The agency included this shortfall in its FY 1990-91 budget request. The House bill did not fund it. It is our recommendation that if the Senate Finance Education Subcommittee determines not to recommend additional funds that a technical adjustment be made in the agency's FY 1990-91 budget so that we can avoid this problem next year.

ag

Enclosure

cc: George N. Dorn, Jr. ✓

14249

(B)



STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARRIE A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

7  
GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDUAR BROWN BUILDING, SUITE 425  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2287

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: George N. Dorn, Jr.

FROM: Lynette D. Rinker *LDR*

DATE: April 24, 1990

SUBJECT: Probation, Parole and Pardon Services  
Transfer to Cover Personal Services Deficit

*P.T. in Agency*  
*Regular Agency*  
*[Signature]*

Pursuant to our earlier discussion, Probation, Parole and Pardon Services is experiencing a personal services deficit as a result of a number of factors:

- (1) Increase in vacancy factor to 4.7% which translates into \$500,000 which the agency must manage.
- (2) An overall vacancy rate during the year of only 2.8%

Because of the continued growth of the agency, a premium has been put on maintaining as close to full employment as possible particularly in the area of community corrections which accounts for 65% of the total agency budget. Consequently, I am requesting your approval of the attached Forms 30 which effect a transfer of \$244,000 in State funds and \$310,000 in Other Funds to cover classified positions and employer contributions. The \$310,000 other fund transfer is necessary to cover SOF changes in 14 positions which ~~is~~ a part of the overall personal services deficit management plan.

*[Checkmark]*

*(C)*



Page Two

I recommend approval of these transfers based on the following:

- (1) Recognition of the impact of raising the vacancy factor to 4.7%, particularly on the law enforcement agencies, in the Governor's Veto message in July, 1989 coupled with the fact that the funds to mitigate the impact of the vacancy factor have not materialized.
- (2) Section 129.21 of the 1990 Act which provides that the Budget and Control Board is to ensure, through transfers if necessary, that adequate funding exists to pay the employer contributions costs of an agency.
- (3) Section 14.64 of the Act which authorizes the Budget and Control Board to grant exemptions to the vacancy factor within available funds. Since these transfers do not breach Legislative intent nor exceed the 20% rule, the transfer can be handled in house in accordance with this Section.
- (4) Assurance from the agency that these transfers will not adversely impact the agency's ability to meet its commitments during the remainder of the fiscal year.
- (5) That these items will not be budget issues in 1990-91 should the current level of additional funding now recommended be maintained.

Thank you for your consideration.

ag

Attachment

90 9 100

14252

(C)

South Carolina Department of Probation, Parole, and Pardon Services

HON. DR. JERRY M. NEAL  
CHAIRMAN  
DISTRICT THREE

HON. LEE R. CATHCART  
SECRETARY  
DISTRICT FIVE

HON. WILLIE E. GIVENS, JR., D.D.  
DISTRICT ONE

HON. RHETT JACKSON  
DISTRICT TWO



MICHAEL J. DAVANAUGH  
EXECUTIVE DIRECTOR

GRADY A. WALLACE  
COMMISSIONER

HON. RAYMOND J. ROSSI  
VICE CHAIRMAN  
MEMBER AT LARGE

HON. MARION BEASLEY  
DISTRICT FOUR

HON. J. P. HODGES  
DISTRICT SIX

ADDRESS: 2221 DEVINE STREET  
P. O. BOX 50666  
COLUMBIA, SC 29250

EXHIBIT

MEMORANDUM

MAY 8 1990

3

STATE BUDGET & CONTROL BOARD

TO: Lynette Rinker, Budget Analyst

FROM: Tom Cleary, Deputy Director for Administration *Tom*

RE: Assorted Transfers/Reconciliation

DATE: April 4, 1990

1. FTE Position Change in Fund Source Request: In order to avoid a shortfall in General Funds for FY 89-90, it will be necessary to shift the source of funds on 14 Agent positions retroactive to 7/1/89. The shift in fund source will only be necessary for FY 89-90. The FTE positions will shift back to General Fund support for FY 90-91. Adequate funds are currently recommended to support these FTE's under General Funds for FY 90-91. Sufficient Other Funds are available to fund this shift for FY 89-90.
2. General Fund Transfers - Shortfall Related: Transfer #11-T is intended to address the balance of anticipated General Fund shortfall for 89-90. Aside from a program shift of 40,000 (to same line item), the requested transfers from Other Operating are to address an anticipated Employer Contribution shortfall. Adequate funds are currently recommended for FY 90-91 to avoid any shortfall in 90-91. These transfers will not adversely effect the agency's ability to meet it's commitments.

Approval of items #1 and #2 above will completely address shortfall issues in General Funds for 89-90. Of course, all available funds will be needed as represented in our reconciliation (see item #4 below).

14253

State and Control Board  
STATE BUDGET DIVISION

(C)

3. Other Funds Shortfall Related:


- A. Transfer #12-T represents transfer of Personal Service dollars among budget programs and shifts of Other Operating funds to cover anticipated Personal Service shortfall for FY 89-90. This transfer will not adversely effect the agency's ability to meet it's commitments. Adequate funds are currently recommended for FY 90-91 to avoid any shortfall in 90-91.
  - B. BD100 Request represents increase in authorization necessary to meet Personal Service requirements for FY 89-90. Adequate funds are available to cover these obligations for 89-90 and sufficient funds are currently recommended for 90-91 to cover Personal Service obligations.
4. FY 89-90 Reconciliation: Transfer #10-T represents our Personal Service and Employer Contributions reconciliation requirements for FY 89-90. All available Personal Service and Employer Contributions will be required. We are also distributing the BPI amounts for Other Funds.

These items, if approved as submitted, should address our needs for the balance of FY 89-90. The 90-91 Budget, as currently recommended, will cover all current Personal Service and Employer Contributions requirements. Of course, the agency will closely monitor/manage vacancies to preclude any deficit circumstances for 90-91. The circumstances surrounding the above noted circumstances were addressed in Richard Stroker's memorandum to you dated February 14, 1990. We wish to withdraw the transfers submitted with that memorandum and replace them with those enclosed with this memorandum.

Please advise if additional information is desired. Thank you for your assistance.

/ssb

Enclosures



14254

(C)



# EXHIBIT

MAY 8 1990

4

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER 4

AGENCY: Budget Division

SUBJECT: 1989-90 Authorized Personal Service Transfers Report, April

The Budget Division reports that the transfer of \$3,310,332 of personal service funds was approved during April (\$3,282,616 to other operating expenses and \$27,716 to equipment).

This brought the total of personal service funds approved for transfer during the fiscal year to \$5,079,988.

BOARD ACTION REQUESTED:

Receive as information a Budget Division report that the transfer of \$3,310,332 of personal service funds was approved during April to bring the total approved for transfer during the fiscal year to \$5,079,988.

ATTACHMENTS:

Agenda item worksheet and attachment

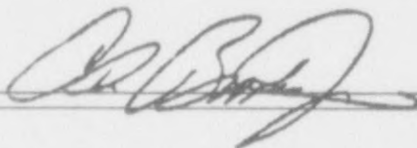
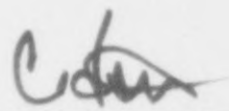
14255

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

90-63

Meeting Scheduled for: May 9, 1990

Blue Agenda

1. Submitted By:  
(a) Agency: State Budget Division  
(b) Authorized Official Signature: 
2. Subject:  
FY 1989-90 Authorized Transfer Report for the Month of April
3. Summary Background Information:  
The State Budget Division's April Authorized Transfer Operating Report for Fiscal Year 1989-90 is attached. We have also attached for your review a cumulative Hugo-Related Transfer Report.
4. What is Board asked to do?  
Information only
5. What is recommendation of Board Division involved?  
Information only  

6. Recommendation of other Division/agency (as required)?  
  
(a) Authorized Signature: \_\_\_\_\_  
(b) Division/Agency Name: \_\_\_\_\_
7. Supporting Documents:  
(a) List Those Attached:
  1. Authorized Transfer Operating Report
  2. Hugo-Related Transfer Report  
(b) List Those Not Attached But Available From Submitter:

EXHIBIT

MAY 8 1990

4

STATE BUDGET & CONTROL BOARD

14256

STATE BUDGET DIVISION  
ANALYSIS OF 1989-90 AUTHORIZED PERSONAL SERVICE  
TRANSFER REQUESTS

DATE	REQUEST NO.	AGENCY	SOURCE OF FUNDS	FROM PERSONAL SERVICE	TO OTHER OPERATING EXPENSES	EQUIPMENT	
Total Authorized Transfers (44)				\$1,769,656	\$1,609,914	\$159,742	
April Authorized Transfers							
(A)	4/27/90	-	A20 Leg. Audit Council	State	\$ 21,000	\$ 15,350	\$ 5,650
(B)	4/13/90	-	E08 Secretary of State	State	10,983	10,983	
(C)	4/23/90	-	F02 BCB-Exec. Dir. Office	State	20,909	20,909	
(D)	4/23/90	-	F04 BCB-Internal Oper.	State	16,503	16,503	
(E)	4/23/90	-	F05 BCB-Financial Systems	State	25,000	25,000	
(F)	4/23/90	-	F06 BCB-Budget Division	State	12,129	12,129	
(G)	4/05/90	-	F14 BCB-Fire Marshal	State	15,000	15,000	
(H)	4/19/90	-	F27 BCB-State Aud. Office	State	98,000	98,000	
(H)	4/19/90	-	F27 BCB-State Aud. Office	Other	24,000	24,000	
(I)	4/19/90	-	H03 Comm. Higher Education	State	4,000	4,000	
(J)	4/17/90	-	H06 Tuition Grants	State	6,900	6,900	
(K)	4/26/90	-	H63 Education Department	State	123,000	123,000	
(L)	4/26/90	-	J02 Health & Human Service	State	41,303	41,303	
(M)	4/06/90	-	J04 DHEC	State	2,327	2,327	
(N)	4/27/90	-	J04 DHEC	State	7,757	7,757	
(O)	4/20/90	-	J20 Alcohol & Drug Abuse	Federal	4,675	4,675	
(P)	4/10/90	-	L16 Foster Care Review	State	3,000	3,000	
(Q)	4/13/90	-	L32 Housing Authority	Other	3,750		3,750
(R)	4/09/90	-	N20 Criminal Justice Acad.	Other	25,000	25,000	
(S)	4/16/90	-	P34 Jobs-Econ. Dev. Auth.	State	3,600	3,600	
(T)	4/05/90	-	R74 Athletic Commission	State	1,400	1,400	
(U)	4/05/90	-	R92 Eng. & Land Surveyors	State	4,906	4,906	



(V)	4/29/90	-	R99 Funeral Service Board	State	35	35	
(W)	4/17/90	-	S32 Board of Psychology	State	4,425	4,425	
(X)	4/11/90	-	U04 Aeronautics Comm.	State	25,000	25,000	
-	4/09/90	90-53	J12 Mental Health	State	2,784,414	2,784,414	
-	4/23/90	90-59	P08 Land Resources	Federal	21,316	3,000	18,316

---

Total Authorized Transfers  
For April (27)

\$3,310,332      \$3,282,616      \$ 27,716

---

Total Authorized Transfers  
Year-To-Date (71)

\$5,079,988      \$4,892,530      \$187,458

---

NOTE:	<u>Current Month</u>	<u>Year-To-Date</u>
State Funds	\$3,231,591	\$4,776,915
Federal Funds	25,991	120,543
Other Funds	<u>52,750</u>	<u>182,530</u>
TOTAL FUNDS	<u>\$3,310,332</u>	<u>\$5,079,988</u>

Prepared  
May 1, 1990

EXHIBIT  
 MAY 8 1990  
 STATE BUDGET & CONTROL BOARD

14258



**LAC**

**Legislative Audit Council**

400 Gervais Street  
Columbia, SC 29201  
(803)253-7612



April 26, 1990

Mr. Scott Barnes  
Budget and Control Board  
Finance Division  
Edgar Brown Building, Room 527  
P O Box 11333  
Columbia, SC 29211

Dear Mr. Barnes:

Enclosed please find our Appropriation Transfer dated April 26, 1990, in the amount of \$21,000.00, transferring from senior auditor 9707, to operating expenses. This transfer was approved by our Council during its April 19th meeting, and is necessary to enable us to meet our commitments for Fiscal Year 1990.

Your cooperation in expediting this transfer will be greatly appreciated.

Sincerely,

*Lois*

Lois D. Tarte  
Assistant Director

sl  
enclosure

*✓*  
*Starnes*  
*4-27-90*

*Copy to c: bbt*

**RECEIVED**

APR 26 1990

Budget and Control Board  
STATE BUDGET DIVISION

*Plive into  
OP. Expenses  
To cover final  
payrolls*

**(A)**





State of South Carolina  
Department of State

P.O. BOX 11350  
COLUMBIA 29211

JOHN T. CAMPBELL  
SECRETARY OF STATE  
JOHN P. STOKES  
DEPUTY SECRETARY OF STATE

April 12, 1990

CHRISTINE W. SOX  
DIRECTOR, CORPORATIONS DIVISION  
DENO N. VERENES  
DIRECTOR, SECURITIES DIVISION  
CHARLES E. BROWN  
DIRECTOR, PUBLIC CHARITIES

EXHIBIT

MAY 8 1990

4

STATE BUDGET & CONTROL BOARD

Mr. Scott Barnes  
Budget Analyst  
527C Brown Building  
Columbia, S.C.

Dear Mr. Barnes:

We are enclosing herewith a transfer of certain funds which we ask your approval along with the attached supporting papers documenting the purpose of the requested transfer of \$8,000. The difference of \$2,983 is to be used in contractual services. Your approval is, therefore, requested.

Yours very truly,

*John T. Campbell*  
JOHN T. CAMPBELL  
Secretary of State

JTC/er  
Encl.

SEE ATTACHED GRIEVANCE SETTLEMENT

*Barnes*

4-13-90

4-13-90

(B)

14262

State of South Carolina  
Department of State

P.O. BOX 11350  
COLUMBIA 29211

JOHN T. CAMPBELL  
SECRETARY OF STATE  
JOHN P. STOKES  
DEPUTY SECRETARY OF STATE

April 12, 1990

CHRISTINE W. SOX  
DIRECTOR, CORPORATIONS DIVISION  
DENO N. VERENES  
DIRECTOR, SECURITIES DIVISION  
CHARLES E. BROWN  
DIRECTOR, PUBLIC CHARITIES

EXHIBIT

MAY 8 1990

4

STATE BUDGET & CONTROL BOARD

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Budget Analyst  
527C Brown Building  
Columbia, S.C.

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Yours very truly,

*John T. Campbell*  
JOHN T. CAMPBELL  
Secretary of State

JTC/er  
Encl.

SEE ATTACHED GRIEVANCE SETTLEMENT

*St. Barnes*

4-13-90

4-13-90

(B)

14262



LAW OFFICES  
GIGNILLIAT, SAVITZ & BETTIS  
1527 BLANDING STREET  
COLUMBIA, SOUTH CAROLINA 29201

JULIAN H. GIGNILLIAT  
STEPHEN T. SAVITZ  
VANCE J. BETTIS  
LINDA PRARCE EDWARDS  
SCOTT A. KOCH

TELEPHONE  
(803) 799-9311

December 28, 1989

*Opj.  
code  
0299*

*OK  
uh*

Mr. John P. Stokes,  
Deputy Secretary of State  
Post Office Box 11350  
Columbia, South Carolina 29211

Re: Lincoln grievance

Dear John:

The Budget and Control Board has approved the settlement in the matter referred to above. Please prepare a check in the amount of Eight Thousand (\$8,000.00) dollars made payable to "Robert Lincoln and his attorney, Michael Montgomery." Since the settlement agreement is fully executed and nothing other than this payment is necessary to complete the undertakings of the parties, please mail the check directly to Michael Montgomery, whose address is: Suite 600, 1310 Lady Street, Columbia, South Carolina 29201.

With best wishes for the New Year I remain,

Sincerely,

*[Signature]*  
Julian H. Gignilliat

JHG/cf  
SEC/6

cc: Michael H. Montgomery, Esquire  
Suite 600  
1310 Lady Street  
Columbia, South Carolina 29201

*4-2124*

14263

*S. Barnes  
4-13-90*

*(B1)  
4-13-90*

273

E08

Secretary of State

2-6-90

89



Robert Lincoln/Michael Montgomery

633-34-6668 NS

2-6-90

1310 Lady St., Suite 600

Columbia

SC

29201

8,000.00

SECRETARY OF STATE

14264

08 640 0070 1001

0299

8,000.00

This payment depleted  
Contractual services significantly  
S. Bawson  
4-13-90  
4-13-90

0299

8,000.00



















State of South Carolina

C.H.  
Per Sec. to  
OTB staff

State Budget and Control Board

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 253-4160

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

April 13, 1990

Ms. Debra Duncan  
State Budget Office  
525 Edgar Brown Building  
Columbia, South Carolina 29201

RECEIVED  
APR 13 1990  
Budget and Control Board  
STATE BUDGET DIVISION

Dear Debra:

Enclosed please find an Appropriations Transfer Request. The request, AT 12, is to transfer surplus funds from Personal Services and Employer Contributions to Contractual Services in the Audits Program. This use of funds is allowed by Proviso 14.27 of the FY89-90 Appropriations Act. The transfer will provide funds to contract with CPA firms to conduct additional audits during the remainder of the fiscal year.

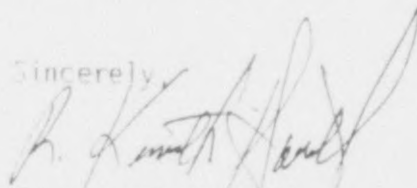
The proviso, 14.27, states:

Provided, Further, that in the event qualified personnel cannot be hired during the fiscal year 1989-90, any unused personal services funds in Subsection 14L, may be used to contract private firms to perform audits as prescribed by the State Auditor.

The Auditor's Office has experienced a high rate of turnover during this fiscal year and our backlog of audits is large. We have received bids from CPA firms amounting to \$93,600 for audits of three state agencies and we anticipate entering into two additional contracts at a cost of approximately \$33,000. In order to proceed with these contracts, we are requesting the attached transfer of personal services and employer contribution funds to contractual services. Please see the attached analysis. This is not a permanent reduction and there is no reduction in-force involved.

If you need clarification or additional information, please call. Thank you for your assistance.

Sincerely,



R. Kenneth Harrill  
Director of Administration

RKH/dc  
Enclosure

CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
JAMES M. WADDELL, JR.  
CHAIRMAN  
SENATE FINANCE COMMITTEE

14271

ROBERT H. McLELLAN  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

(H)



AUDITS PROGRAM  
ANALYSIS OF CONTRACTUAL SERVICES FUNDS

Funds Available (CSA 424 4/9/90)	\$ 78,653
Committed Funds	
Audit Contracts	(138,285)
General Operation - Maintenance, Contracts, etc.	(13,017)
Estimated General Operations Needs for Remainder of FY	(11,863)
Estimated Attorney Fees for Remainder of FY	(3,924)
Estimate for Additional Audit Contracts	<u>(33,564)</u>
BALANCE	<u>(122,000)</u>
TRANSFER NEEDED	\$ 122,000

Budget and Control Board  
STATE BUDGET DIVISION









## South Carolina

### Higher Education Tuition Grants Commission

EDWARD M. SHANNON III  
EXECUTIVE DIRECTOR

April 16, 1990

Mr. Les Boles  
Budget Analyst  
State Budget Division  
523A Edgar Brown Building  
Columbia, SC 29201

Dear Les:

We have projected our needs in the various administrative accounts of the SC Tuition Grants Commission for the remainder of the 1989-90 fiscal year and have determined that it is necessary to shift some funds around to meet our obligations. Therefore, the enclosed appropriation transfer involving administrative funds of the Commission is enclosed for your approval and subsequent processing.

We are requesting that a total of \$6,900 [\$4,700 from Temporary Positions (0171) and \$2,200 from Employer Contributions (1300)] be transferred into the following accounts in the amounts indicated:

Contractual Services (0200)	\$1,700
Supplies (0300)	\$2,000
Fixed Charges (0400)	\$ 700
Travel (0500)	\$2,500
<b>TOTAL:</b>	<b>\$6,900</b>

Please contact me or Ms. Gena Miles at the SC Tuition Grants Commission if you have any questions or need further information.

Sincerely,

Edward M. Shannon, III  
Executive Director

14275

P. O. Box 12159, Columbia, SC 29211  
(803) 734-1200

4/17/90 This Falls within the \$25,000  
Rule And The agency did not  
draw any of the SPI & Bonus  
allocation,

LB

C. H. 7

**RECEIVED**

APR 17 1990

Budget & Control Board  
STATE BUDGET DIVISION

AGENCY NUMBER H63	AGENCY BATCH NUMBER T-147	OBJECT CODE HASH TOTAL 1774	TOTAL BATCH AMOUNT 246,000.00	BATCH DATE	BATCH NUMBER	DOC#
----------------------	------------------------------	--------------------------------	----------------------------------	------------	--------------	------

AGENCY VOUCHER NUMBER

T-147

AGENCY TRANSFERRED TO (CIR)

NAME  
Education Department

ADDRESS

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

4/25/90  
APPROPRIATION TRANSFER

## TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

Per Proviso 129.21 Jan.

C.G. WARRANT NUMBER

AGENCY TRANSFERRED FROM

NAME  
Education Department

ADDRESS

REASON FOR TRANSFER:

To transfer Classified positions accounts to Fringe benefits to cover anticipated expenditures.

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	H63	3980	1001						0158	4,000.00	
10	350	H63	3984	1001						0158	95,000.00	
10	350	H63	3985	1001						0158	24,000.00	
TOTAL										474	123,000.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	H63	4021	1001						1300	123,000.00	
TOTAL										1300	123,000.00	

RECEIVED  
APR 25 1990  
Budget and Control Board  
STATE BUDGET DIVISION

(K)

REQUESTED BY

C. J. [Signature]

STATE BUDGET ANALYST

J. C. [Signature]

DATE

4/26/90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

Per 129.21, this transfer is needed  
to alleviate problems with  
Workers' Comp.

14276

STATE AUDITOR

[Signature]  
4-26-90

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD

TO: George Dorn  
FROM: Jean McDaniel  
DATE: 4/26/90

DATE	ACTION
<input type="checkbox"/> NOTE AND FILE	<input type="checkbox"/> PER OUR CONVERSATION
<input type="checkbox"/> NOTE AND RETURN TO ME	<input type="checkbox"/> PER YOUR REQUEST
<input type="checkbox"/> RETURN WITH MORE DETAILS	<input type="checkbox"/> FOR YOUR APPROVAL
<input type="checkbox"/> NOTE AND SEE ME ABOUT THIS	<input type="checkbox"/> FOR YOUR INFORMATION
<input type="checkbox"/> PLEASE ANSWER	<input type="checkbox"/> FOR YOUR COMMENTS
<input type="checkbox"/> PREPARE REPLY FOR MY SIGNATURE	<input type="checkbox"/> SIGNATURE
<input type="checkbox"/> TAKE APPROPRIATE ACTION	<input type="checkbox"/> INVESTIGATE AND REPORT

COMMENTS:

Per Proviso 129.21, this transfer is requested to alleviate the agency's problems re: Workers' Compensation. The problem has not been resolved at this time.

JCM





*Curto*  
*F4I*  
*4/26/90*

State of South Carolina  
State Health And Human Services Finance Commission

William P. Simpson, Chairman

DISTRICT 1  
Elise Davis - McFarland, Ph.D.  
DISTRICT 2  
T. M. Copeland  
DISTRICT 3  
T. Ree McCoy, Jr.



Eugene A. Laurent, Ph.D.  
Executive Director

DISTRICT 4  
Robert E. Robards, MD  
DISTRICT 5  
Billy F. Pigg  
DISTRICT 6  
James L. Pasley, Jr.

P.O. Box 8206, Columbia, South Carolina 29202-8206

April 26, 1990

Mr. Ed Brophy  
State Budget Division  
Budget and Control Board  
530 Edgar A. Brown Building  
Columbia, South Carolina 29201

Dear Ed:

Enclosed is appropriation transfer number 90086 to transfer \$41,303 State appropriation from the personal service expenditure category to other operating. This \$41,303 transfer will result in a cummulative \$25,000 transfer out from personal services. There was \$16,303 transferred into personal services in July 1989, our appropriation transfer number 90003, enclosed. This transfer is necessary to avoid a possible deficit spending in the Medical Contract line, minicode 4534.

Please let me know if you have any questions. Thank you for your assistance.

Enclosures:

Sincerely,

*N.B. C. Holt agreed to go  
w/ this on a one time basis  
to alleviate possible deficits  
in Medicaid services. 5/90  
C.F.T.*

*Charles F. Thompson*  
Charles F. Thompson, Director  
Division of Budgeting

*Rec'd 4/26/90*

14279

(L)



F489-90

AGENCY NUMBER: J02 AGENCY BATCH NUMBER: 6250 TOTAL BATCH AMOUNT: 307,406<sup>00</sup> BATCH DATE: 6-26-89 BATCH NUMBER: 003

AGENCY VOUCHER NUMBER

190003

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CIR)

NAME: SHHSFC

APPROPRIATION TRANSFER

AGENCY TRANSFERRED FROM

NAME: SAME

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

ADDRESS

REASON FOR TRANSFER: TO PROVIDE FOR TEMPORARY EMPLOYEE SALARIES

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
1	350	J02	4293	1001						0158	49,150 <sup>00</sup>	
1	350	J02	4293	5000				3450 90		0158	53,250 <sup>00</sup>	
1	350	J02	4295	1001						0158	17,500 <sup>00</sup>	
1	350	J02	4295	5000				3507 90		0158	17,500 <sup>00</sup>	
1	350	J02	4294	1001						0200	823 <sup>00</sup>	
1	350	J02	4294	1001						0300	978 <sup>00</sup>	
1	350	J02	4294	1001						0400	5 <sup>00</sup>	
TOTAL												

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
1	300	J02	4293	1001						0171	49,150 <sup>00</sup>	
1	300	J02	4293	5000						0171	53,250 <sup>00</sup>	
1	300	J02	4295	1001						0171	16,000 <sup>00</sup>	
1	300	J02	4295	5000				JUN 27 1989		0171	16,000 <sup>00</sup>	
1	300	J02	4295	1001				Budget & Control Board		0188	1,500 <sup>00</sup>	
1	300	J02	4295	5000				STATE BUDGET DIVISION		0188	1,500 <sup>00</sup>	
1	300	J02	4294	1001						0158	16,303 <sup>00</sup>	
TOTAL												

REQUESTED BY: DATE: STATE BUDGET ANALYST: DATE:

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

14280

STATE AUDITOR

DATE





AGENCY NUMBER <b>JO4</b>	AGENCY BATCH NUMBER <b>BB #096</b>	OBJECT CODE HASH TOTAL <b>3,658</b>	TOTAL BATCH AMOUNT <b>\$ 235,214.00</b>	BATCH DATE	BATCH NUMBER	DOCUMENT
-----------------------------	---------------------------------------	--	--	------------	--------------	----------

AGENCY VOUCHER NUMBER

**BB #096**

AGENCY TRANSFERRED TO (CRI)

NAME

**DDEC**

ADDRESS

**2600 Bull Street****Columbia, S.C. 29201****STATE OF SOUTH CAROLINA**

BUDGET AND CONTROL BOARD - FINANCE DIVISION

**APPROPRIATION TRANSFER**

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

C G WARRANT NUMBER

AGENCY TRANSFERRED FROM (C)

NAME

**SAME**

ADDRESS

**See Cover Letter**

REASON FOR TRANSFER:

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	JO4	1907	1001						0158	2,327.00	A301
10	350	JO4	4822	1001						0500	19,240.00	A2ND
10	350	JO4	4822	1001						0300	53.00	A2SD
10	350	JO4	4822	1001						0600	49.00	A27D
10	350	JO4	2108	1001						0300	47,969.00	A35B
10	350	JO4	1907	1001						0200	47,969.00	A34J
TOTAL										2058	117,607.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	JO4	1907	1001						0500	2,327.00	A301
10	300	JO4	4822	1001						0200	19,240.00	A2ND
10	300	JO4	4822	1001						0200	53.00	A2SD
10	300	JO4	4822	1001						0200	49.00	A27D
10	300	JO4	2108	1001						0200	47,969.00	A35B
10	300	JO4	1907	1001						0300	47,969.00	A35J
TOTAL										1600	117,607.00	

REQUESTED BY

DATE

STATE BUDGET ANALYST

DATE

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR **14282**

DATE







# South Carolina Department of Health and Environmental Control

2600 Bull Street  
Columbia, S.C. 29201

Commissioner  
Michael D. Jarrett



Board  
Henry S. Jordan, M.D., Chairman  
John B. Pate, M.D., Vice-Chairman  
William E. Applegate, III, Secretary  
Toney Graham, Jr., M.D.  
John H. Burriss  
Richard E. Jabbour, D.D.S.  
Currie B. Spivey, Jr.

April 26, 1990

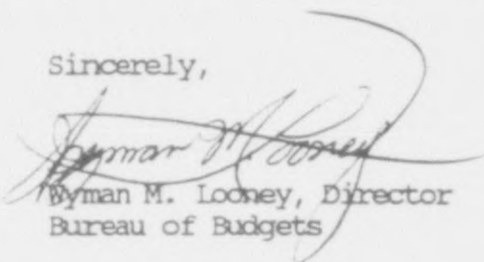
Mr. Ed Brophy  
State Budget Analyst  
Division of State Budgets  
S. C. Budget and Control Board  
530 Edgar Brown Building  
Columbia, South Carolina 29211

Dear Mr. Brophy:

We are forwarding the enclosed transfer (BB # 108) in the amount of \$12,757 for your review and approval. Line one of this transfer is necessary to purchase clinic supplies for the High Risk Maternity Clinic in Beaufort County. The balance of this request involves the need for additional travel funds in Beaufort, Colleton, Hampton and Jasper Counties. The source of funds indicated represents the replacement of local appropriations and by proviso we are allowed to transfer between salaries and travel.

Thank you for your assistance in this matter and if you have any questions, please let us know.

Sincerely,

  
Byman M. Looney, Director  
Bureau of Budgets

WML:RB:wb

Enclosure

RECEIVED  
APR 27 1990  
Budget and Control Board  
STATE BUDGET

14284

(N)

AGENCY NUMBER J20	AGENCY BATCH NUMBER 61	OBJECT CODE HASH TOTAL 9399	TOTAL BATCH AMOUNT 108,836.00	BATCH DATE	BATCH NUMBER	DO
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AGENCY VOUCHER NUMBER

61

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

C.G. WARRANT NUMBER

AGENCY TRANSFERRED TO (CR)

NAME

Alcohol &amp; Drug Abuse

ADDRESS

3700 Forest Dr.

Columbia, S.C.

## APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM

NAME

Alcohol &amp; Drug Abuse

ADDRESS

3700 Forest Dr.

Columbia, S.C.

REASON FOR TRANSFER: Transfer funds from 1776 Aid-to-entities and 158 personnel to operating as per attached letter

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	J20	0610	5000				0210 00		0158	3740.00	
10	350	J20	1450	5000				0210 00		0195	150.00	
10	350	J20	1449	5000				0210 00		1300	785.00	
10	350	J20	3840	5000				0210 00		1776	24,404.00	
10	350	J20	3840	5000				0210 00		1776	20,909.00	
10	350	J20	3840	5000				0210 00		1776	2482.00	
10	350	J20	3840	5000				0210 00		1776	1948.00	
TOTAL										6981	54,418.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	J20	0610	5000				0210 00		0200	4,675.00	
10	300	J20	0608	5000				0210 00		0400	24,404.00	
10	300	J20	0610	5000				0210 00		0400	909.00	
10	300	J20	0610	5000				0210 00		0200	20,000.00	
10	300	J20	3840	5000				0210 00		0200	2,482.00	
10	300	J20	3840	5000				0210 00		0400	548.00	
10	300	J20	3840	5000				0210 00		0618	1,400.00	
TOTAL										2418	54,418.00	

REQUESTED BY [Signature] DATE 4/16/90

STATE BUDGET ANALYST

DATE 4/16/90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

14285  
STATE AUDITOR

DATE



S. C. COMMISSION ON ALCOHOL AND DRUG ABUSE

April 16, 1990

EXHIBIT

MAY 8 1990

4

Mr. Aaron Krute  
State Budget Division  
Edgar Brown Building - Suite 525  
1205 Pendleton Street  
Columbia, S. C. 29201

STATE BUDGET & CONTROL BOARD

Dear Mr. Krute:

We would like to transfer federal funds from Aid-to-Entities and personnel to operating.

The requested funds transfer from personnel in the Division Program Support was for training support but we now realize will not be needed in personnel, but it will be needed in operating. Also the funds should have been in temporary personnel instead of classified because that division does not have federal personnel authorization.

*Really*  
The funds being requested to be transferred to Administration are funds that we have known since the beginning of the year were needed for rent for this fiscal year. The additional space increased our rent cost approximately \$28,000 for this year and hereafter. *Block Grant money!*

*One-time deal!*  
The \$20,000 transfer is for a contract which we have with Oxford House to start-up a group home. The other fund to be transferred is for film and other material which was delayed purchasing and need for updating our sources on drugs and the paying for honorariums and travel for a recent year held in our city.

If you have any questions please contact Jerry Douglas at

Thank you,

Sincerely,

John H. Milling  
Financial Officer

JHM/crs

RECEIVED

APR 16 1990

Budget and Control  
STATE BUDGET DIVISION

14286



C.H.

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 525  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

TO: Sue Hooks  
Senate Finance Committee

FROM: Aaron Krute *Aaron Krute*  
State Budget Division

SUBJECT: Proposed Technical Amendment for FY 1990-91  
Appropriation for SCCADA

DATE: April 20, 1990

Please arrange for the following technical amendment to Section 42 of the Appropriation Bill for 1990-91 pertaining to the South Carolina Commission on Alcohol and Drug Abuse (J-20).

Proposed Technical Amendment

Amend the bill, as and if amended, Part I, Section 42, South Carolina Commission on Alcohol and Drug Abuse --

Program I, Division of Administration, Fixed Charges by inserting in Column (7) \$116,846.

Program III, Division of Programs and Services, Allocation to Entities - Alcohol and Drug Treatment, by inserting in Column (7) \$4,025,680.

This change realigns the FY 1990-91 Appropriation by moving \$32,000 in Federal Funds from Aid to Entities (1776) in Program Services to Fixed Charges (0400) in Administration. This change is necessary to take care of known increases in rent. This change will reduce the number of transfers that would otherwise be necessary for next fiscal year. This change will have no overall monetary impact on SCCADA's budget for FY1990-91.

Thank you for your assistance. If you have any questions, please let me know.

14287

(O)









# South Carolina Criminal Justice Academy

5400 BROAD RIVER ROAD, COLUMBIA, SOUTH CAROLINA 29210-4088 \* PHONE: (803) 737-8400 \* FAX: (803) 737-8418

April 24, 1990

W. J. JOHNSON, JR.  
Executive Director

TRAINING COUNCIL

J. H. LANIER  
Chairman  
S.C.H.P.

W. C. BAIN, JR.  
Vice Chairman  
Spartanburg

JOHNNY MACK BROWN  
Greenville

PARKER EVATT  
S.C.D.C.

ROBERT L. GROOMS  
Lamar

T. TRAVIS MEDLOCK  
Attorney General

JOHN E. MONTGOMERY  
U.S.C.

ROBERT M. STEWART  
S.L.E.D.

DR. JAMES A. TIMMERMAN  
S.C.W.M.R.D.

FREDERICK B. VERINDER  
F.B.I.

DR. CHARLES T. WALLACE  
Charleston

ALBERT WILLIAMS  
Andrews

Ms. Lynette Rinker  
Budget Division  
Budget and Control Board  
Edgar Brown Building, Suite 525  
1205 Pendleton Street  
Columbia, South Carolina 29201

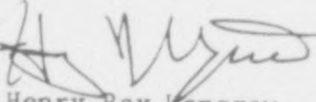
RE: Appropriation Transfer #30

Dear Ms. Rinker:

The requested transfer #30 of <sup>25,000 HRW</sup> ~~\$35,000~~ from Mini Code 4165, Subfund 3356, Object Code 0158 (Personal Services) to Mini Code 1497, Subfund 3356, Object Code 1300 (Employer Contributions) will involve no reduction in force (RIF's).

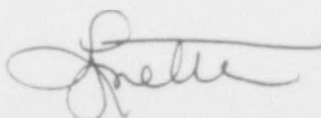
In addition, the budget submitted for FY91 will have sufficient funds in employer contributions having no unanticipated increases.

Sincerely,

  
Henry Ray Wengrow  
General Counsel and  
Finance Director

HRW:em

*Please approve in accordance w/ 129.21.  
I have already given a copy to Curtis  
for his records.*



14291

(R)

...making a difference in law enforcement!





SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY  
1201 MAIN STREET, SUITE 1750  
COLUMBIA, SOUTH CAROLINA 29201

M E M O R A N D U M

TO: Mr. Ken Brown, Budget Analyst  
FROM: Mr. Elliott E. Franks, III, Director *EEF*  
DATE: April 13, 1990  
SUBJECT: Appropriations Transfer

---

Please find enclosed an Appropriations Transfer moving funds into the Employer Contributions line from Temporary Positions, Contract Services, and Equipment lines. This transfer is necessary to meet the deficit in the Agency's appropriations for the Employer Contributions budget line for FY 89-90.

Should you need additional information, please advise.

*Transfer approved per Proviso 129.21*

RECEIVED

APR 13 1990

Budget & Control Board  
STATE BUDGET DIVISION

14293

(S)

AGENCY NUMBER	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL	TOTAL BATCH AMOUNT	BATCH DATE	BATCH NUMBER	DOC#
R74	23	0572	290000	4/3/90	23	
AGENCY VOUCHER NUMBER						CG WARRANT NUMBER

AGENCY VOUCHER NUMBER

CG WARRANT NUMBER

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

### APPROPRIATION TRANSFER

AGENCY TRANSFERRED TO (CBI)

AGENCY TRANSFERRED FROM

NAME  
Hate Athletic Comm.  
ADDRESS  
P. O. Box 2465-2466  
Columbus IL 62202

NAME	Lamme
ADDRESS	P.O. Box 2461 Colo. SC 2920

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

REASON FOR TRANSFER:

Relation of ~~turkey~~ in Algeria Cook 200

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	R74	4480	1001						0500	1500.00	
10	350	R74	4480	1001						0172	1400.00	
TOTAL										0672	2900.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	R74	4480	1001						0200	2900.00	
TOTAL										0200	2900.00	

REQUES

Christopher Litopanos DATE 4-5-90

STATE BUDGET ANALYST

Francis H. Bow DATE 4-5-90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

cores to center  
4-5-90 pc

14294

STATE AUDITOR

GATE

South Carolina  
STATE ATHLETIC COMMISSION

Chris G. Hitopoulos  
Chief Commissioner

John H. Holladay, Jr.  
Chairman



POST OFFICE BOX 2461  
Columbia, 29202  
803-254-3661

Commissioners

Frank P. Whitecotten  
Danny Berlinsky  
Hugh A. Clarke  
Frank E. Cain  
Edward R. Newton

April 3, 1990

Office of Comptroller General  
Post Office Box 11228  
Columbia, SC 29221

Dear Sir:

We are requesting a transfer of funds from object code(s) 0500 (Travel) and 0172 (Per Diem) to object code 0200 (Contractual Services) to cover the cost of Administrative services for the remainder of the year.

Thank you for your cooperation.

Sincerely,

*Christopher Hitopoulos*

Christopher Hitopoulos  
Chief Commissioner

Budget and Control  
STATE BUDGET DIVISION

14295

(T)



AGENCY NUMBER	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL	TOTAL BATCH AMOUNT	BATCH DATE	BATCH NUMBER	DOCUMENT
R92	T-11	1458	9,811.74			

AGENCY VOUCHER NUMBER

T-11

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

### APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM ID	
NAME	
Reg. Bd. for PE & LS	
ADDRESS	

AGENCY TRANSFERRED TO (CIR)  
NAME  
Reg. Bd. for PE & LS  
ADDRESS

REASON FOR TRANSFER: See Attached Letter

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	R92	0915	1001						0158	4,905.87	
TOTAL										0158	4,905.87	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	R92	1932	1001						1300	4,905.87	
TOTAL										1300	4,905.87	

RECEIVED  
APR 05 1990  
Budget and Control Board  
STATE BUDGET DIVISION

RECEIVED  
APR 25

APR 05 1990

Budget and Control Board  
STATE BUDGET DIVISION

REQUESTED BY Mary H. Cline DATE 4/5/90 STATE BUDGET ANALYST Francis H. Bow DATE 4-5-90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized

STATE AUDITOR \_\_\_\_\_ DATE \_\_\_\_\_

14296  
4-590

South Carolina State Board of Registration  
for Professional Engineers and Land Surveyors

JAMES DOMINICK, PUBLIC MEMBER  
GREENVILLE

GEO. A. Z. JOHNSON, JR., P.E., RLS  
CHARLESTON

J. G. LEWIS, JR., P.E.  
GREENVILLE

G. L. MCNAIR, P.E.  
COLUMBIA

MRS. MARY M. LAW, DIRECTOR  
2221 DEVINE STREET, SUITE 404  
P.O. DRAWER 50408  
COLUMBIA, S.C. 29250  
(803) 734-9166

J. T. McCARTER, P.E.  
GREENVILLE

E. B. ROGERS, JR., P.E.  
ORANGEBURG

H. B. SPEISSEGER, JR., P.E.  
CHARLESTON

W. A. WHITWORTH, SR., RLS  
LEXINGTON

April 5, 1990

TO: Ms. Frances Barr, Budget Analyst,  
Budget Division, B&C Board

FROM: Mary M. Law, Director *Mary M. Law*

RE: Transfer of Funds FY89-90

The "employer contributions" for the two new positions was included with the salary in the "New Position Account". All funds in the "New Position Account" were transferred into our Classified Position Account and none into our Employer Contributions Account.

We are, therefore, requesting that we be allowed to transfer from our Classified Positions Account to our Employer Contributions Account \$4,905.87--the amount needed to cover employer contributions for the new positions.

Thanks for your assistance.

RECEIVED

APR 11 1990

Control Board  
DIVISION

14297

(W)

AGENCY NUMBER AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL TOTAL BATCH AMOUNT BATCH DATE BATCH NUMBER DOCU

R99

AGENCY VOUCHER NUMBER

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CIR)

NAME

Funeral Service Board

ADDRESS

P. O. Box 305

Johnston, SC 29832

## APPROPRIATION TRANSFER

TO REQUESTING AGENCY

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM

NAME

Funeral Service Board

ADDRESS

P. O. Box 305

Johnston, SC 29832

REASON FOR TRANSFER: To cover contractual expenses

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	350	R99	0920	1001						0172	35.00	
10	350	R99	0920	1001						0300	63.72	
EXHIBIT												
										0472	98.72	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
10	300	R99	0920	1001						0200	98.72	
RECEIVED												
										0200	98.72	

REQUESTED BY Avery Blum DATE 4-19-90 STATE BUDGET ANALYST Tracy H. Bow DATE 4-24-90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

14298

STATE AUDITOR

DATE



SAMUEL BARTELL, PRESIDENT  
HEMINGWAY  
C. EUGENE EVANS, VICE PRESIDENT  
NEWBERRY

LYDE D. BLANTON, SEC. TREAS.  
DILLON

MURRAY ANTLEY  
ORANGEBURG

CHARLES GREEN  
CHARLESTON

WILLIAM A. POOLE, INSPECTOR  
SENECA

RECEIVED

APR 27 1990

Budget and Control Board  
STATE BUDGET DIVISION

POPE C. LONG  
ANDERSON

GLENN C. MILLER  
SPARTANBURG

JOHN McALISTER, JR.  
CHARLESTON

RUDOLPH TOMPKINS  
WATERLOO

EZEKIEL TREZEVANT, JR.  
COLUMBIA

SOUTH CAROLINA

State Board of Funeral Service

SECRETARY

9832

3832

90

*Curtis*

Mrs. Frances Barr, Budget Analyst  
527 Edgar Brown Building  
Columbia, South Carolina 29201

Dear Mrs. Barr:

The Funeral Service Board respectfully requests the transfer of funds from 0172 in the amount of \$35.00 and from 0300 in the amount of \$63.72 to 0200 in order to cover contractual expenses.

Thank you for taking care of this matter.

Yours very truly,

*Avory Bland*  
Avory Bland  
Executive Secretary

AB/bb

4-28-90  
90-71  
fu

4-28-90  
90-71  
fu

14299

(V)

AGENCY VOUCHER NUMBER \_\_\_\_\_ AGENCY BATCH NUMBER \_\_\_\_\_ OBJECT CODE HASH TOTAL \_\_\_\_\_ TOTAL BATCH AMOUNT \_\_\_\_\_ BATCH DATE \_\_\_\_\_ BATCH NUMBER \_\_\_\_\_ DOCUM \_\_\_\_\_

AGENCY TRANSFERRED TO (CPI)

NAME: SC Bd. of Examiners in Psychology

ADDRESS:

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

### APPROPRIATION TRANSFER

TO REQUESTING AGENCY

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER \_\_\_\_\_

AGENCY TRANSFERRED FROM (CPI)

NAME: Same

ADDRESS:

REASON FOR TRANSFER: *to meet expenditure obligations for remainder of fiscal year*

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
13	350	532	0938	1001						0150	1900.00	
13	350	532	0938	1001						0172	400.00	
10	350	532	0938	1001						0400	700.00	
10	350	532	1939	001						1300	2575.19	
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <h1>RECEIVED</h1> <p>APR 12 1990</p> <p>Budget &amp; Control Board</p> <p>STATE BUDGET DIVISION</p> </div>										TOTAL	2030	5575.19

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
13	300	532	0938	1001						0171	450.00	
13	300	532	0938	1001						0200	4025.19	
13	300	532	0938	1001						0500	400.00	
13	300	532	0938	1001						0300	700.00	
										TOTAL	1171	5575.19

REQUESTED BY: Patricia Glenn DATE: 4/11/90 STATE BUDGET ANALYST: Francis Brown DATE: 4-11-90

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

14360

STATE AUDITOR: [Signature] DATE: 4-17-90

Submit original and 3 copies



Copy

STATE OF SOUTH CAROLINA  
BOARD OF EXAMINERS IN PSYCHOLOGY

ROBERT F. SABALIS, PhD  
CHAIRPERSON  
ANNA S. HEFFLER, PhD  
VICE CHAIRPERSON  
ALFRED J. FINCH, JR., PhD  
SECRETARY  
JOHN R. ELLSWORTH, PhD  
TREASURER

P.O. BOX 11477  
COLUMBIA, SC 29211

March 30, 1990

Mr. Myron Terry  
Senate Finance Committee  
Gressette Building  
Columbia, SC 29201

Dear Mr. Terry:

The SC Board of Examiners in Psychology is requesting to realign its budget according to its expenditures for 1990-91. These changes are as follows:

Classified positions -\$4000  
Temporary positions + 4000  
Employer contributions -2000  
Fixed charges +2000

The change in Temporary positions is due to the hiring of temporary help during the year to assist with license renewals, etc. The Fixed charges increase is due to the mandatory relocation of our office to another building and the increase in rent we will need to pay.

When Personal services and employee benefits was initially funded, the employee anticipated working full-time. The Employee benefits and Personal services money left over is due to the employee working only 30 hours instead of 37.50 hours.

Thank you for your consideration in helping our agency realign its budget in accordance with more realistic expenditure goals.

Sincerely,

Patricia Glenn  
Administrative Assistant

(W)  
**RECEIVED**

APR 12 1990

State & Control Board  
BUDGET DIVISION

14301



## Expenses

Amount remaining in each category as of 3/28/90 and guestimated expenses for remainder of fiscal year 89/90.

Personal services- 0158 classified- \$1,932.58 left at year's end  
0171 tempo- will spend all (1,300)  
0172 per diem- 694.00 left as of 3/28/90  
210.00 will spend for Bd.  
484.00 left over at end of year

Contractual services-0200 205.13 left as of 3/28/90  
\$700.00 telephone  
130.00 certificates  
200.00 Directory  
223.00 Newsletter  
1485.00 Testing  
1270.00 Court Reporter  
4008.00 Total Expenses  
-205.13 left over as of 3/28/90  
-3802.87 over budget at end of year

Supplies-0300 128.39 left as of 3/28/90  
\$ 70.00 office supplies  
50.00 photo copies  
515.50 postage (includes Newsletter, Directory, etc.)  
635.50 Total Expenses  
-128.39 left over as of 3/28/90  
-507.11 over budget at end of year

Fixed Charges-0400 889.00 left as of 3/28/90  
- 50.00 contents/property insurance  
739.00 left over at end of year

Travel-0500 \$143.30 left as of 3/28/90  
167.00 Gorry  
52.92 Ellsworth  
94.08 Blanch-Barr  
151.20 Finch  
465.20 Total Expenses  
- 143.30 left over as of 3/28/90  
-321.90 over budget at end of year

Equipment-0600 \$1419.18 left as of 3/28/90 (will spend all)

Employee Benfits-01300 3022.19 left as of 3/28/90  
- 447.00 Total Expenses  
2575.19 left over at end of year

\$5730.77 Total left over at end of year to apply to expenses  
4631.88 Total Expenses over budget  
1098.89 Money left to purchase equipment, supplies etc. for Board

RECEIVED

14302

APR 1 2 1990

Ed. & Control Board  
STATE BUDGET DIVISION



STATE OF SOUTH CAROLINA  
BOARD OF EXAMINERS IN PSYCHOLOGY

ROBERT A. SABALIS, Ph.D.  
CHAIRPERSON  
ANNA S. HEFFLER, Ph.D.  
VICE CHAIRPERSON  
ALFRED J. FINCH, JR., Ph.D.  
SECRETARY  
JOHN R. ELLSWORTH, Ph.D.  
TREASURER

P.O. BOX 11477  
COLUMBIA, S.C. 29211

April 10, 1990

RECEIVED  
APR 12 1990  
Budget & Control Board  
STATE BUDGET DIVISION

Mrs. Fran Barr  
SC Budget and Control Board  
Finance Division  
532 Edgar Brown Bldg.  
1205 Pendleton St.  
Columbia, SC 29201

Dear Fran:

The SC Board of Examiners in Psychology is requesting the transfer of funds from different accounts to meet expenditure obligations for the remainder of this fiscal year. (Please see the attached list of expenditures for detailed explanation.) These requested transfers are as follows:

0158 Classified	-\$ 450.00
0171 Tempo	+ 450.00
0158 Classified	-\$1450.00
0200 Contractual Services	+\$1450.00
0172 Per diem	-\$400.00
0500 Travel	+ 400.00
0400 Fixed Charges	-\$700.00
0300 Supplies	+ 700.00
1300 Employee Benefits	-\$2575.19
0200 Contractual Services	+2575.19

When Personal Services and Employee Benefits was initially funded, the employee anticipated working full-time. The Employee Benefits and Personal Services money left over is due to the employee working only 30 hours instead of 37.50 hours.

We have already submitted to the General Assembly a realignment of our budget needs for 1990-91.

14303

(w)

4-16-90  
Cops to  
Curtis Hall

Mrs. Fran Barr  
April 10, 1990  
Page 2

Thank you for your assistance and cooperation in helping our agency meet its expenditure needs for this fiscal year. If you have any questions concerning this request, please feel free to call me at 734-2871.

Sincerely,

*Patricia Glenn*

Patricia Glenn  
Administrative Assistant

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APR 12 1990  
Budget & Control Board  
STATE BUDGET DIVISION

14304

(w)





# EXHIBIT

STATE BUDGET DIVISION  
PERSONAL SERVICE AND OTHER  
HUGO-RELATED TRANSFERS

MAY 8 1990

4

## STATE BUDGET & CONTROL BOARD

No.	Agency	Source of Funds	Personal Service	All Other
-----				
September				
E24	Adjutant General's Office	State	694,000	
September Total			694,000	
-----				
October				
E24	Adjutant General's Office	Federal		100,000,000
E24	Adjutant General's Office	Federal		867,438
L04	Dept. of Social Services	State		1,800,000
L04	Dept. of Social Services	State		3,666,667
October Total				106,334,105
-----				
November				
L04	Dept. of Social Services	State		4,000,000
November Total				4,000,000
-----				
December				
No Changes				0
-----				
January				
No Changes				0
-----				
February				
No Changes				0
-----				
March				
No Changes				0
-----				
April				
No Changes				0
-----				
CUMULATIVE TOTAL			694,000	110,334,105
			=====	=====

### NOTE:

	CURRENT MONTH	YEAR-TO-DATE
State Funds	4,000,000	10,160,667
Federal Funds	0	100,867,438
Other Funds	0	0
	4,000,000	111,028,105
	=====	=====

May 1, 1990

14306

# EXHIBIT

MAY 8 1990

5

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER 5

AGENCY: Budget Division

SUBJECT: FTE Operating Report, April

The Budget Division reports that no net change of full-time-equivalent positions (-14.00 State, +0.50 federal and +13.50 other) was made to the authorized base during April. The base remained at a total of 71,029.75 FTE positions.

At the end of the month, 65,365.20 of the authorized positions were filled and 5,664.55 were vacant.

	Positions Vacant (in %)	
	<u>04/30/90</u>	<u>04/30/89</u>
Total Positions	7.97	7.38
State	6.43	6.12
Federal	11.36	10.39
Other	9.55	8.63

BOARD ACTION REQUESTED:

Receive as information the FTE position operating report for the month of April which shows that no net change of FTE positions was made during April, leaving the base total at 71,039.75 FTE positions at the end of the month of which 65,365.20 were filled and 5,664.55 were vacant.

ATTACHMENTS:

Agenda item worksheet and referenced report.

14307



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

90-62

Meeting Scheduled for: May 9, 1990

Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

1989-90 FTE Operating Report for the Month of April 1990

3. Summary Background Information:

The attached report is submitted in accordance with Section 129.22 of the 1989-90 Appropriation Act. The report exempts all Legislative Employees (718.00) and Judicial Employees (405.47) which totals (1,123.47). Attached also is a copy of the year-to-date summary reflecting, by month, all authorized adjustments.

4. What is Board asked to do?

Information only.

5. What is recommendation of Board Division involved?

Information only.



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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

1. Year-to-Date Monthly Summary FTE Position Operational Report
2. Director's Letter
3. Authorized FTE Position Operating Report

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

14308

EXHIBIT

MAY 8 1990

5

STATE BUDGET & CONTROL BOARD

STATE BUDGET DIVISION  
FTE POSITION AUTHORIZED ADJUSTMENTS  
TO DATE  
4/30/90

	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
Total Authorized FTE Position Base per 1989-90 Appropriation Act	71,447.58	41,827.95	8,380.74	21,238.89
-----				
Monthly Adjustments				
July	(3.00)	(18.00)	(7.00)	22.00
August	(1.00)		(50.80)	49.80
September	319.14	6.14	13.00	300.00
October	0.00	0.00	0.00	0.00
November	0.00	(8.61)	(29.39)	38.00
December	95.00	6.20	51.30	37.50
January	0.00	0.00	0.00	0.00
February	0.00	(4.41)	(28.80)	33.21
March	295.50	1.50	(16.00)	310.00
April	0.00	(14.00)	0.50	13.50
-----				
Total Net Adjustments	705.64	(31.18)	(67.19)	804.01
Total Adjusted Appropriated FTE Position Base 4/30/90	72,153.22	41,796.77	8,313.55	22,042.90
-----				
Less:				
1989-90 Legislative Employees	718.00	716.00	0.00	2.00
1989-90 Judicial Employees	405.47	405.47		
-----				
Total Authorized FTE Position Base 4/30/90	71,029.75	40,675.30	8,313.55	22,040.90
=====				

Prepared  
May 1, 1990

14309

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 125  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

May 1, 1990

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

**EXHIBIT**

MAY 8 1990

5

STATE BUDGET & CONTROL BOARD

The Honorable James M. Waddell, Jr.  
Joint Legislative Committee on Personal  
Service Financing and Budgeting  
111 Gressette Building  
Columbia, South Carolina 29201

Dear Senator Waddell:

Attached is a copy of the April 1989-90 Authorized FTE Position  
Operating Report. I have approved and adjusted the Authorized FTE  
Position Base accordingly.

I have also attached for the Committee's review a copy of the  
year-to-date monthly Authorized FTE Position Summary Report.

If you should have any questions, please feel free to call.

Sincerely

Charles A. Brooks, Jr.

CAB/db

Attachments

14310



STATE BUDGET DIVISION  
FULL-TIME EQUIVALENT POSITION  
OPERATIONAL REPORT  
FOR THE MONTH OF APRIL, 1990

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
Total Authorized FTE Position Base 3/31/90		71,029.75	40,689.30	8,313.05	22,027.40
<u>April Authorized Adjustments</u>					
5C	Governor's Office-OEPP	(51.00)		(51.00)	
53	Probation, Parole, & Pardon		(14.00)		14.00
55	Criminal Justice Academy			0.50	(0.50)
85	Employment Security Comm.	51.00		51.00	
Total Net Adjustments--April			(14.00)	0.50	13.50
Total Authorized FTE Position Base 4/30/90		71,029.75	40,675.30	8,313.55	22,040.90
Total Filled FTE Positions 4/30/90		65,365.20	38,059.50	7,369.09	19,936.61
Total Vacant FTE Positions 4/30/90		5,664.55	2,615.80	944.46	2,104.29
Percent Vacant 4/30/90		7.97%	6.43%	11.36%	9.55%
Percent Vacant 4/30/89		7.38%	6.12%	10.39%	8.63%
Percent Vacant 4/30/88		7.57%	5.97%	9.46%	9.87%

Prepared:  
May 1, 1990

14311

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

BRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 525  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: April 9, 1990  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: D17 Governor's Office-OEPP (5C)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	4/1/90		265.00	126.23	130.97	7.80
	Adjusted FTE Position Base			214.00	126.23	79.97	7.80
	Authorized Adjustment			(51.00)	-	(51.00)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board. (Item #90-41) Transferred to the Employment Security Commission - JTPA Program.

14312

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 325  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-3280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *C. Holt*

DATE: April 16, 1990

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

\_\_\_\_\_ Action represents a net increase in authorized F.T.E. Positions

\_\_\_\_\_ Action represents a net decrease in authorized F.T.E. Positions

X Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: N08 Probation, Parole, and Pardon Services (53)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	4/15/90		736.00	499.23	0.77	236.00
	Adjusted FTE Position Base			736.00	485.23	0.77	250.00
	Authorized Adjustment			-	(14.00)	-	14.00

Authorization/Explanation:

Requested by the agency to balance Personal Service Budget and applies to FY 89-90 only.

14313



STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION

CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 525  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

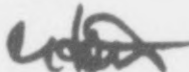
CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director   
DATE: April 9, 1990  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

\_\_\_\_\_ Action represents a net increase in authorized F.T.E. Positions  
\_\_\_\_\_ Action represents a net decrease in authorized F.T.E. Positions  
  X   Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: N20 Criminal Justice Academy (55)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	4/1/90		103.95	-	2.00	101.95
	Adjusted FTE Position Base			103.95	-	2.50	101.45
	Authorized Adjustment			-	-	0.50	(0.50)

Authorization/Explanation:  
Requested by the agency - a Grant to deal with child abuse investigation.

**14314**

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
STATE BUDGET DIVISION



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

EDGAR BROWN BUILDING, SUITE 525  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-2280

CHARLES A. BROOKS, JR.  
DIVISION DIRECTOR

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

**EXHIBIT**

MEMORANDUM MAY 8 1990

5

STATE BUDGET & CONTROL BOARD

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: April 9, 1990

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions  
☐ Action represents a net decrease in authorized F.T.E. Positions  
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R60 Employment Security Commission (85)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	4/1/90		1,210.33	-	1,072.33	138.00
	Adjusted FTE Position Base			1,261.33	-	1,123.33	138.00
	Authorized Adjustment			51.00	-	51.00	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board. (Item #90-41) Transferred from the Governor's Office-OEPP, JTPA Program.

14315

# EXHIBIT

MAY 8 1990

6

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER 6

AGENCY: Executive Director

SUBJECT: 1988-89 Travel Expenses, STARS Agencies

Attached is a summary of expenditures by source of funds for travel (including foreign, in-State, and out-of-State) by State employees of STARS agencies during fiscal year 1988-89. "Lump sum" agencies such as higher education institutions are not included.

Of the total \$22,489,093 (State, federal, and other funds) expended by the listed STARS agencies during the fiscal year, 76% was for in-State travel, 23% for out-of-State travel, and 1% for foreign travel.

Of the \$12,863,973 State funds expended, 75% was for in-State travel, 24% for out-of-State travel, and 1% for foreign travel.

This summary was developed from a detailed report run by the Comptroller General's Office in response to a staff request. The request was made so the Board could consider putting its entire interest in the travel question on an after-the-fact financial reporting basis. Staff was advised that the level of detail summarized here is not reported to the Comptroller General's Office by lump sum agencies despite the requirements of Section 129.1 of the 1989-90 appropriations Act (copy attached).

BOARD ACTION REQUESTED:

Receive as information a report on total funds expended on in-State, out-of-State, and foreign travel by STARS agencies during 1988-89.

ATTACHMENTS:

Summary of travel expenses; Appropriations Act Section 129.1

14316



**SECTION 128**  
**ESTIMATE OF GENERAL, SCHOOL, HIGHWAY,**  
**AND EDUCATION IMPROVEMENT ACT REVENUE**  
**Fiscal Year 1989-90**

**Miscellaneous Sources:**

Circuit & Family Court Fines.....	2,364,000
Debt Service Reimbursement .....	6,817,611
Housing Auth. Reimbursement .....	480,179
Indirect Cost Recoveries .....	20,901,511
Mental Health Fees .....	3,800,000
Parole & Probation Super Fees.....	3,647,104
Unclaimed Prop. Fund Transfer.....	2,986,234
Waste Treatment Loan Repayment.....	<u>400,000</u>
Total Miscellaneous Sources .....	<u>\$41,396,639</u>
Total Regular & Misc. Revenue .....	\$3,363,453,131
	=====
 Total General Fund Revenues .....	 <u>\$3,363,453,131</u>
 Total Highway Revenue .....	 \$476,768,015
 Total EIA Revenues .....	 <u>\$282,675,000</u>
 Total All Sources of Revenues .....	 \$4,122,896,146
	=====

129.1. The expenditure of money appropriated in this Act shall be by warrant requisitions directed to the Comptroller General. Upon receipt of the requisition, accompanied by invoices or other satisfactory evidence of the propriety of the payment, and itemized according to standard budget classifications, the Comptroller General shall issue his warrant on the State Treasurer to the payee designated in the requisition. No requisitions for warrants shall be processed for any amounts less than one dollar. Upon approval and designation by the State Budget and Control Board, state institutions may requisition funds in favor of their own treasurer, itemized only to the extent of the purpose of the appropriation as expressed in this Act, and may deposit

**14317**

such funds in the name of the institution, in such bank or banking institutions as shall be designated by the State Treasurer, and disburse same by check to meet the purposes of the appropriation, but strict account shall be kept of all such expenditures according to standard budget classifications. All money shall be drawn only when actually owing and due. The Comptroller General shall establish rules and regulations for the uniform reimbursement, remittance and transfers of funds to the General Fund of the State required by law.

129.2. During the Fiscal Year 1989-90, student fees at the State institutions of higher learning shall be fixed by the respective Boards of Trustees as follows:

(1) Fees applicable to student housing, dining halls, student health service, parking facility, laundries and all other personal subsistence expenses shall be sufficient to fully cover the total direct operating and capital expenses of providing such facilities and services over their expected useful life except those operating or capital expenses related to the removal of asbestos.

(2) Student Activity Fees may be fixed at such rates as the respective Boards shall deem reasonable and necessary.

129.3. The University of South Carolina, Clemson University, the Medical University of S. C. (including the Medical University Hospital), The Citadel, Winthrop College, S. C. State College, Francis Marion College, College of Charleston, Lander College and the Wil Lou Gray Opportunity School shall remit all revenues and income, collected at the respective institutions, to the State Treasurer according to the terms of Section 1 of this Act, but all such revenues or income so collected, except fees received as regular term tuition, matriculation, and registration, shall be carried in a special continuing account by the State Treasurer, to the credit of the respective institutions, and may be requisitioned by said institutions, in the manner prescribed in Section 129.1 of this Act, and expended to fulfill the purpose for which such fees or income were levied, but no part of such income shall

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EXHIBIT

MAY 8 1990

6

Travel Expenses by Source of Funds  
Fiscal Year 1988-89

Agency	Total Funds				State Funds			Federal Funds			Other Funds		
	All Funds	In State	Out of State	Foreign	In State	Out of State	Foreign	In State	Out of State	Foreign	In State	Out of State	Foreign
Legislative Department	1,493,181	1,244,794	248,447	0	1,232,335	244,422		11,398	4,025		1,001		
Judicial Department	1,108,112	1,085,531	22,581	0	1,085,531	22,581							
Governor's Office	657,903	353,176	293,778	10,949	304,906	213,758	2,956	43,052	68,118	7,993	5,218	11,902	
Lieutenant Governor	5,162	2,021	3,141	0	1,777	3,141					244		
Secretary of State	3,547	1,761	1,786	0	1,761	1,786							
Comptroller General	31,009	12,249	18,760	0	12,249	18,760							
State Treasurer	20,615	6,003	14,612	0	6,003	14,612							
Attorney General	76,567	38,892	37,675	0	38,892	37,675							
Appellate Defense	8,361	7,628	733	0	7,628	733							
Adjutant General	67,836	34,157	33,679	0	12,805	9,404		18,779	19,136		2,573	5,139	
Election Commission	12,802	11,798	1,004	0	11,798	1,004							
Budget and Control Board	797,096	500,040	295,646	1,410	348,470	160,599		492			151,078	135,047	1,410
Higher Education Commission	55,204	31,998	23,206	0	31,998	23,206							
Tuition Grants	6,024	3,003	3,021	0	3,003	3,021							
Voc & Tech Ed	19,373	8,929	10,444	0	2,339	406		6,590	10,038				
Technical Education	331,829	226,544	91,434	13,851	222,241	90,366	13,851	55			4,248	1,068	
Dept. of Education	775,455	525,951	249,504	0	285,561	114,515		136,374	92,296		104,016	42,693	
ETV	375,910	124,863	251,047	0	73,748	63,765					51,115	187,282	
Opportunity School	26,376	20,704	5,672	0	18,155	5,072					2,304	600	
Vocational Rehabilitation	465,356	410,151	55,205	0	55,592	3,619		351,150	50,758		3,409	828	
Deaf/Blind School	54,550	36,360	16,418	1,772	33,375	15,244		1,472	483	1,772	1,513	691	
Archives and History	42,304	10,131	32,173	0	9,840	31,297		279			12	886	
Confederate Relic Room	3,247	681	2,566	0	681	2,566							
State Library	26,124	8,133	17,991	0	2,396	2,414		5,737	15,577				
Arts Commission	46,998	30,376	16,622	0	29,744	15,550		156	668		476	404	
Museum Commission	31,795	5,346	26,449	0	5,346	26,449							
HHSFC	304,401	184,279	120,122	0	60,270	45,108		118,572	73,211		5,437	1,803	
QHEC	4,457,696	3,809,863	627,833	0	1,233,048	305,168		647,860	215,902		1,928,955	106,763	
Mental Health	696,504	510,536	185,968	0	227,217	100,632		38,207	25,239		245,112	60,097	
Mental Retardation	142,317	112,900	29,417	0	50,940	7,364					61,960	22,053	
Alcohol & Drug Abuse	62,435	39,479	22,956	0	32,173	19,287		6,570	3,516		736	153	
DSS	2,878,489	2,606,901	271,588	0	766,983	76,305		1,803,100	192,742		36,818	2,541	
de la Houe School	6,258	5,238	1,020	0	3,987	771					1,251	249	
Foster Care Review	22,698	20,133	2,565	0	15,508	1,785		1,935	780		2,690		
Commission for Blind	126,960	110,279	16,681	0	43,721	7,694		66,558	8,987				
Commission on Aging	39,841	19,016	20,825	0	15,934	16,606		2,702	4,219		380		
Housing Authority	60,399	25,795	34,604	0				12,548	1,766		13,247	52,838	
Human Affairs	35,180	13,023	22,157	0	6,794	11,580		6,229	10,577				
Veterans Affairs	3,915	2,092	1,823	0	2,092	1,823							
Commission on Women	3,704	2,839	865	0	2,839	865							
Corrections Department	615,885	498,906	116,979	0	462,267	105,965		12,274	3,929		24,365	7,085	



Travel Expenses by Source of Funds  
Fiscal Year 1988-89

Agency	Total Funds			State Funds			Federal Funds			Other Funds			
	All Funds	In State	Out of State Foreign	In State	Out of State Foreign	In State	Out of State Foreign	In State	Out of State Foreign	In State	Out of State Foreign		
Perole/Community Corr.	593,104	468,712	114,392	201,154	36,472	729	693	266,829	77,227				
Youth Services	219,650	154,683	64,967	148,278	54,403	2,579	6,098	3,826	4,466				
Law Enf. Training Council	19,556	11,101	8,455			1,061		10,040	8,000				
Natural Resources Commission	95,070	37,509	57,561	36,081	39,463		18,098	360					
Land Resources Conserv.	78,771	48,336	30,435	48,135	29,768	143,938	12,276	197	667				
Forestry Commission	306,319	271,918	34,401	127,392	22,125			588					
Agriculture Department	371,516	252,954	114,421	145,448	71,298	14,295	259	93,211	42,864				
Migratory Waterfowl Comm.	2,396	2,396	0	2,396									
Wildlife & Marine Resources	458,370	288,896	166,796	155,085	77,988	42,736	39,047	91,075	49,761		2,226		
Coastal Council	69,721	45,510	24,211	45,260	23,658	250	553	527	411				
Sea Grant Consortium	30,073	6,014	24,059	2,741	7,639	2,746	16,009	84,566	60,676		16,031		
PRT	307,595	179,002	107,383	94,436	46,707								
Development Board	259,397	80,254	107,662	80,254	107,662		71,481						
Coord. Council, Econ. Dev.	1,714	1,714	0										
JEDI	15,309	7,792	8,117	6,478	5,025			1,714	3,092				
Patriots Point	25,536	14,539	10,997	8,750	3,755			14,539	10,997				
Savannah Valley Authority	12,505	8,750	3,755	3,409				396					
Old Exchange Building Com.	3,805	3,805	0										
Public Service Authority	206,760	139,524	67,236	139,470	67,236	54	547	66,790	17,845				
Workers' Compensation	193,444	155,417	38,027	181,473	19,635			3,280					
Patients' Compensation	3,290	3,290	0										
Second Injury Fund	28,013	16,267	11,746					16,267	11,746				
Insurance Department	121,045	84,242	36,803	84,242	36,803								
Financial Institutions Board	194,611	181,143	13,468	181,143	13,468								
Consumer Affairs	29,276	11,118	18,158	11,118	18,158								
Labor Department	419,192	340,367	78,825	226,421	43,096	113,966	35,709	459	714				
Tax Commission	1,014,164	642,679	371,485	642,679	371,485								
FEC Commission	119,505	102,237	17,268	101,778	16,554								
Ethics Commission	4,405	3,422	983	3,422	3,708								
Employment Security Commission	818,717	616,498	202,219	128	3,708	601,727	192,885	14,643	5,626				
Bonds and Commissions	476,256	315,674	160,582	315,674	160,582								
Total, 51805 Agencies	22,469,093	17,198,222	5,163,369	9,661,796	3,104,579	4,217,637	1,124,596	3,318,789	934,214		19,667		
Total Funds	22,469,093	76.47%	22.96%	12,863,973	75.11%	24.13%	0.76%	78.80%	21.01%	0.19%	77.67%	21.86%	0.46%

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAY 8 1990

7

STATE BUDGET AND CONTROL BOARD

MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA

ITEM NUMBER

7

AGENCY: Attorney General

SUBJECT: Manville Property Damage Trust Funds Distribution

The Office of the Attorney General advises that the State has received approximately \$220,000 in the recent distribution of funds by the Manville Property Damage Trust.

BOARD ACTION REQUESTED:

Receive as information a report that the State has received approximately \$220,000 in the recent distribution of funds by the Manville Property Damage Trust.

ATTACHMENTS:

Woodington April 12 letter plus attachments

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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  
FACSIMILE: 803-253-6283

EXHIBIT

MAY 8 1990

7

STATE BUDGET & CONTROL BOARD

April 12, 1990

RECEIVED  
APR 28 1990  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

Jesse A. Coles, Jr., Ph.D.  
Executive Director  
SC Budget & Control Board  
P. O. Box 12444  
Columbia, SC 29211

Re: Manville Property Damage Trust

Dear Jesse:

I am pleased to advise that the State received approximately \$220,000 in the recent distribution of funds by the Manville Property Damage Trust. Our estimate to the Board several weeks ago was that only \$120,000 would be paid; for whatever reason, there was more money available to pay claims than had been projected by the Trust only a few weeks before the actual distribution.

Henry White, a Staff Attorney with this Office, worked extremely diligently in tracking down the many receipts and other documents necessary to support this claim.

Enclosed are copies of two letters sent by this Office to the State Treasurer's Office. I would appreciate your advising the Board of the receipt of these funds.

With best regards, I am

Sincerely yours,

*Kenneth P. Woodington* KPW

Kenneth P. Woodington  
Senior Assistant Attorney General

KPW/rho

Enclosures

cc: Mr. Richard W. Kelly  
Mr. William J. Clement

14322



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 3970  
FACSIMILE 803 253 6283

April 6, 1990

Ms. Sandy Huey  
Deputy State Treasurer  
State Treasurer's Office  
Wade Hampton Office Building  
P. O. Drawer 11778  
Columbia, S. C. 29211

RE: Manville Asbestos Abatement Refunds

Dear Sandy:

Pursuant to our telephone conversation this morning, please find enclosed the checks shown on the attached list which have been forwarded to us pursuant to the Manville bankruptcy proceedings. Ken Woodington's formal cover letter concerning these checks will follow on Monday. Meanwhile, I am turning the funds over to the Treasurer's Office for processing and investment in your usual course. I understand that your Office will subsequently coordinate with each agency on the accounting procedures for these funds. Many thanks for your cooperation and assistance.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Nathan Kaminski, Jr.", written over a horizontal line.

Nathan Kaminski, Jr.  
Executive Assistant for Administration

NKjr/lm  
Attachment

cc: Senior Assistant Attorney General Ken Woodington

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# The State of South Carolina



Office of the Attorney General

## EXHIBIT

MAY 8 1990

7

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE: 803 734 3970  
FACSIMILE: 803 253 6983

The following checks are enclosed for deposit. They are all drawn on the Manville Property Damage Settlement Trust at Manufacturers Hanover Trust Company in New York City, NY.

Check Number	Payee	Amount
0001846	SC Dept of PRT	\$ 1,036.00
0001847	SC Board of Tech Comp Ed	1,434.00
0001334	MUSC	37,023.00
0001922	SC Div of Gen Svs	72,707.00
0002132	The Citadel	35,132.00
0001923	SC School for the Deaf and Blind	7,497.00
0002406	Winthrop College	18,665.00
0002385	Wil Lou Gray Opportunity School	45,934.00

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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  
FACSIMILE: 803-253-6283

April 12, 1990

Ms. Sandra A. Huey  
Deputy State Treasurer  
State Treasurer's Office  
P. O. Drawer 11778  
Columbia, SC 29211

Dear Ms. Huey:

This is in reference to the eight checks from the Manville Property Damage Trust in the total amount of \$219,428.00 which Nat Kaminski recently forwarded to your Office.

These checks represent the first, and possibly only, payment which will be received from the Trust for monies expended by these agencies in connection with asbestos abatement through October 1989. These claims were originally filed in 1984 in the names of the various agencies. The monies represent reimbursement of funds actually expended by the State or its agencies. Neither the Bankruptcy Court nor the Manville Property Damage Trust has imposed any restriction on how the money may be spent by its recipients.

Please let me know if I can answer any questions concerning these funds.

Sincerely yours,

*Kenneth P. Woodington* KPW

Kenneth P. Woodington  
Senior Assistant Attorney General

KPW/rho

cc: Parks, Recreation & Tourism  
SC Board of Technical & Comprehensive Education  
Medical University of South Carolina  
General Services  
The Citadel  
SC School for the Deaf and Blind  
Winthrop College  
Wil Lou Gray Opportunity School

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APR 25 1990

# Capital Improvements Joint Bond Review Committee

HORACE C. SMITH  
SENATE  
CHAIRMAN

## SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE  
J. VERNE SMITH

## HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
R. N. MCLELLAN  
LARRY BLANDING  
WILLIAM D. BOAN



MARION P. CARNELL  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

SCOTT R. INKLEY  
DIRECTOR OF RESEARCH  
BUDGET AND CONTROL BOARD LIAISON

LIB CROFT  
ADMINISTRATIVE ASSISTANT

April 24, 1990

# EXHIBIT

MAY 8 1990

7

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
State Budget & Control Board  
600 Wade Hampton Building  
Columbia, South Carolina 29201

In Re: Clemson University - Manning Hall Asbestos Abatement

Dear Mr. McInnis:

The Joint Bond Review Committee, at its meeting of 4/19/90, received an oral report from William J. Clement advising of the need to allocate \$53,249.00 from the Statewide Asbestos Survey and Emergency Abatement project (F12-9355) to the Clemson University Manning Hall Asbestos Abatement project.

Mr. Clement advised that Clemson had previously returned \$148,890.00 to the Statewide Abatement Fund but had erred in closing out the project before final payments were due.

Mr. Clement also advised of correspondence received from the Attorney General's Office noting that eight state agencies will receive payments, totalling \$219,428.00, from the Manville Property Damage Trust in settlement of their asbestos abatement claims and requested that these funds be returned to the Statewide Abatement Fund.

Accordingly, the Committee ---

- (1) Approved the allocation of \$53,249.00 from the Statewide Abatement Fund to the Clemson University Manning Hall Asbestos Abatement project.

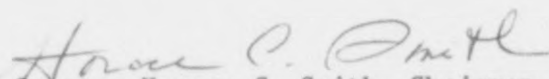
14326

Mr. W. A. McInnis  
Page 2  
4/24/90

- (2) Directed Mr. Clement to write each of the agencies due to receive payments from the Manville Property Damage Trust, advising that these payments will not be disbursed to the agency but will, instead, be placed in the Statewide Asbestos Survey and Emergency Abatement project account.

With kind regards, I am

Sincerely,

  
Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS/lc  
Encs. 4/6/90 & 4/12/90 letters - Office of the Attorney General  
cc: Mrs. Aline A. Ferguson  
Mr. William J. Clement

14327

# EXHIBIT

MAY 8 1990

8

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER 8

AGENCY: General Services

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. Summary 16-90: Items 1 and 2 (involving Clemson and Mental Retardation).
2. Summary 17-90: Items 1 through 6, 10 and 11 (involving Clemson and Highways & Public Transportation).
3. Summary 18-90: Item 1 (involving USC-Aiken).

B. The following permanent Improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:

1. Summary 16-90: Item 5 (involving Mental Retardation).
2. Summary 17-90: Item 14 (involving Clemson).

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Agenda item worksheet; JBRC Summary Items

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BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 8, 1990

Blue Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly

*Wayne F. Rush*

2. Subject:

Permanent Improvement Projects

3. Summary Background Information:

A. The following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

1. On Summary 16-90: Items 1 and 2 (involving Clemson and Mental Retardation).
2. On Summary 17-90: Items 1 through 6, 10 and 11 (involving Clemson and Highway & Public Transportation).
3. On Summary 18-90: Item 1 (involving USC-Aiken).

B. The following permanent Improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:

1. On Summary 16-90: Item 5 (involving Mental Retardation).
2. On Summary 17-90: Item 14 (involving Clemson).

4. What is Board asked to do?

Receive as information.

5. What is recommendation of Board Division involved?

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. List of Supporting Documents:

(a) Attached:

1. JBRC Summary Items

EXHIBIT

MAY 8 1990

8

STATE BUDGET & CONTROL BOARD

14329

STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 1, 1990 Through March 15, 1990

SUMMARY 16-90 Page 1 of 3  
Forwarded to JBRC 03/19/90

Item 1.	Agency: H12 Clemson University	Project: 9137, Dillard Bldg-Customer Service Area Modernization	CHE Approval Date: 02/26/90
	Action		Committee Review Date: *
	Proposed: Increase budget from \$ 200,000.00 to \$ 369,000.00		B&C Board Approval Date: *
	(Add \$ 169,000.00 [9] Other, Maintenance, Renov & Repair)		
	Purpose: To expand the project scope to include demolition of asbestos contaminated roof by University Forces and reroof building by roofing contractor.		
	Ref: Supporting document pages 1-3.		
			</

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STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 16, 1990 Through March 31, 1990

SUMMARY 17-90 Page 1 of 6  
Forwarded to JBRC 4-4-90

14331

Item 1.	Agency: H12 Clemson University	Project: 9516, Fike Recreation Center (New Wing)-Reroof	CHE Approval Date: 03/29/90 Committee Review Date: 04/03/90 B&C Board Approval Date: *
	Action Proposed: Increase budget from \$ 200,000.00 to \$ 385,000.00		
	(Add \$ 185,000.00 [9] Other, Maintenance, Repair & Renov)		
	Purpose: To cover additional cost for abatement of asbestos containing materials discovered during roof replacement. This item was approved at the JBRC meeting on April 3, 1990.		
	Ref: Supporting document pages 1-3.		
			Budget After Action Proposed Source Amount Other 385,000.00
			TOTAL FUNDS 385,000.00
Item 2.	Agency: H12 Clemson University	Project: 9539, Harcombe Dining Hall-Kitchen Renov/Reroof	CHE Approval Date: 03/29/90 Committee Review Date: 04/03/90 B&C Board Approval Date: *
	Action Proposed: Increase budget from \$ 275,000.00 to \$ 519,275.42		
	(Add \$ 244,275.42 [9] Other, Dining Hall Operating Revenue)		
	Purpose: To combine existing project H12-8765, Harcombe Dining Hall-Reroof with this project. Combining these two projects will reduce maintenance costs and coordinate kitchen renovations which include new exhaust system and roofing project. This item was approved at the JBRC meeting on April 3, 1990. (See Item 14).		
	Ref: Supporting document pages 4-7.		
			Budget After Action Proposed Source Amount Other 519,275.42
			TOTAL FUNDS 519,275.42
Item 3.	Agency: H12 Clemson University	Project: 9564, Alumni Center-Reroof	CHE Approval Date: 03/29/90 Committee Review Date: * B&C Board Approval Date: *
	Action Proposed: Establish project.		
	Total budget.....\$ 175,000.00 [9] Other, Maint,Repair,Renovation.....\$ 175,000.00		
	Purpose: To replace approximately 114 squares of deteriorated roofing. The roof is 18 years old.		
	Ref: Supporting document pages 8-10.		
			Budget After Action Proposed Source Amount Other 175,000.00
			TOTAL FUNDS 175,000.00

14331



STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 16, 1990 Through March 31, 1990

SUMMARY 17-90 Page 2 of 6  
Forwarded to JBRC 4-4-90

Item 4.	Agency: H12 Clemson University	Project: 9565, Hardin Hall-Reroof	CHE Approval Date: 03/29/90 Committee Review Date: * B&C Board Approval Date: *						
Action Proposed: Establish project.									
Total budget.....\$ 155,000.00 [9] Other, Maint,Repair,Renovation.....\$ 155,000.00			<table><tr><th colspan="2">Budget After Action Proposed</th></tr><tr><th>Source</th><th>Amount</th></tr><tr><td>Other</td><td>155,000.00</td></tr></table>	Budget After Action Proposed		Source	Amount	Other	155,000.00
Budget After Action Proposed									
Source	Amount								
Other	155,000.00								
Purpose: To replace approximately 88 squares of deteriorated roof. The roof is 39 years old.									
Ref: Supporting document pages 11-13.									
TOTAL FUNDS			155,000.00						

Item 5.	Agency: H12 Clemson University	Project: 9566, Long Hall-Replace Gutters	CHE Approval Date: 03/29/90 Committee Review Date: * B&C Board Approval Date: *						
Action Proposed: Establish project.									
Total budget.....\$ 165,000.00 [9] Other, Maint,Repair,Renovation.....\$ 165,000.00			<table><tr><th colspan="2">Budget After Action Proposed</th></tr><tr><th>Source</th><th>Amount</th></tr><tr><td>Other</td><td>165,000.00</td></tr></table>	Budget After Action Proposed		Source	Amount	Other	165,000.00
Budget After Action Proposed									
Source	Amount								
Other	165,000.00								
Purpose: To replace exterior roof gutters. The existing gutters are 55 years old and have deteriorated to the point where damage to the building is resulting.									
Ref: Supporting document pages 14-16.									
TOTAL FUNDS			165,000.00						

Item 6.	Agency: H12 Clemson University	Project: 9567, Lee Hall-Reroof	CHE Approval Date: 03/29/90 Committee Review Date: * B&C Board Approval Date: *						
Action Proposed: Establish project.									
Total budget.....\$ 196,000.00 [9] Other, Maint,Repair,Renovation.....\$ 196,000.00			<table><tr><th colspan="2">Budget After Action Proposed</th></tr><tr><th>Source</th><th>Amount</th></tr><tr><td>Other</td><td>196,000.00</td></tr></table>	Budget After Action Proposed		Source	Amount	Other	196,000.00
Budget After Action Proposed									
Source	Amount								
Other	196,000.00								
Purpose: To replace approximately 174 squares of deteriorated roofing. The roof is 28 years old.									
Ref: Supporting document pages 17-19.									
TOTAL FUNDS			196,000.00						

14332

STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 16, 1990 Through March 31, 1990

SUMMARY 17-90 Page 3 of 6  
Forwarded to JBRC 4-4-90

Item Agency: U12 Highways & Public Trans Project: 9537, Chester Maintenance Complex Construction  
10.

Action

Proposed: Increase budget from \$ 2,650,000.00 to \$ 2,800,000.00

(Add \$ 150,000.00 [9] Other, S.C.D.H & P.T.)

Purpose: To reimburse contractor for excavating, removing and replacing unforeseen and unsuitable soil. The topsoil on the property was found to be too deep to support the building. This was not found in soil samples taken prior to beginning site work.

Ref: Supporting document pages 33-35.

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

Budget After Action Proposed	
Source	Amount
Other	2,800,000.00

TOTAL FUNDS 2,800,000.00

Item Agency: U12 Highways & Public Trans Project: 9575, Bennettsville Maint Office Construction  
11.

Action

Proposed: Establish project.

Total budget.....\$ 225,000.00  
[9] Other, S.C.D.H & P.T.....\$ 225,000.00

Purpose: To construct a 3,200 square foot brick and block building for Marlboro County engineers. The present office was constructed in 1956 and is inadequate for current use.

Ref: Supporting document pages 36-38.

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

Budget After Action Proposed	
Source	Amount
Other	225,000.00

TOTAL FUNDS 225,000.00

14333

EXHIBIT  
MAY 8 1990  
STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
April 1, 1990 Through April 15, 1990

SUMMARY 18-90 Page 1 of 2  
Forwarded to JBRC 04/13/90

Item Agency: H29 USC-Aiken Project: 9501, Science Education Center

1.

Action

Proposed: Increase budget from \$ 500,000.00 to \$ 750,000.00

CHE Approval Date: 04/11/90

Committee Review Date: \*

B&C Board Approval Date: \*

Budget After Action Proposed

Source

Amount

(add \$ 250,000.00 [9] Other, Private

Institution Bonds 100,000.00

Other 650,000.00

Purpose: To change the project name to the Ruth Patrick Science Education Center and revise the project scope to construct a 12,000 square foot facility which will include a planetarium.

Ref: Supporting document pages 1 - 3.

TOTAL FUNDS 750,000.00

14334



STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 1, 1990 Through March 15, 1990

SUMMARY 16-90 Page 1 of 3  
Forwarded to JBRC 03/19/90

INFORMATION ONLY

Item Agency: J16 Mental Retardation Project: 9541, Statewide Community Residences (APIP 87-88)

5.

Action

Proposed: Decrease budget from \$ 500,000.00 to \$ 200,000.00

(Subtract \$ 300,000.00 [4] Excess Debt Service)

Purpose: To transfer needed funds to project 9546.

Ref: Supporting document pages 26-27.

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

<u>Budget After Action Proposed</u>	
<u>Source</u>	<u>Amount</u>
Excess Debt Service	200,000.00

TOTAL FUNDS	200,000.00
-------------	------------

14335

STATE BUDGET AND CONTROL BOARD, DIVISION OF GENERAL SERVICES - PROPERTY MANAGEMENT  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 16, 1990 Through March 31, 1990

SUMMARY 17-90 Page 1 of 6  
Forwarded to JBRC 4-4-90

INFORMATION ONLY

Item Agency: H12 Clemson University Project: 8765, Harcombe Dining Hall-Reroof

14.

Action

Proposed: Decrease budget from \$ 210,000.00 to \$ 10,724.58

(Subtract \$ 199,275.42 [9] Other, Dining Hall Operating Revenue)

Purpose: To close project and combine with project H12-9539. This item was approved at the JBRC meeting on April 3, 1990.

Ref: Supporting document pages 63-66.

CHE Approval Date: 03/29/90  
Committee Review Date: 04/03/90  
B&C Board Approval Date:

Budget After Action Proposed	
Source	Amount
Other	10,724.58

TOTAL FUNDS	10,724.58
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EXHIBIT 8  
MAY 8 1990  
STATE BUDGET & CONTROL BOARD

14336

# EXHIBIT

MAY 8 1990

9

STATE BUDGET AND CONTROL BOARD

MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA

ITEM NUMBER

AGENCY: Executive Director

SUBJECT: Public Assistance Payments (FEMA), April 1990

The attached report identifies by agency and total amount \$1,278,543.92 of disbursements of public assistance funds (FEMA) to various State agencies by the Governor's Office during April.

BOARD ACTION REQUESTED:

Receive as information a report of disbursements of public assistance funds to various State agencies by the Governor's Office during April.

ATTACHMENTS:

Referenced report

14337



APRIL PA TO STATE AGENCIES

APPLICANT #	APPLICANT	VOUCHER #	VCHR AMT	AGENCY TOTAL
000-92102	B&C BD MTR VEH MGMT	MI 1032	\$28,072.42	\$28,072.42
000-92112	B&C BD RESEARCH	MI 1044	\$18,378.04	\$18,378.04
000-92014	CLEMSON	MI 1006	(\$10,494.95)	
		MI 1008	(\$12,127.39)	
		MI 1034	\$17,055.92	
		MI 1039	\$32,717.75	
		MI 1043	\$9,163.60	\$36,314.93
019-92011	COLLEGE OF CHARLESTON	MI 1002	(\$18,775.58)	
		MI 1038	\$17,387.30	(\$1,388.28)
000-92019	FORRESTRY COMMISSION	MI 1033	\$51,610.12	
		MI 1035	\$442,567.54	
		MI 1036	\$914,554.80	\$1,408,732.46
000-92130	GOVERNORS OFFICE	MI 1040	\$40,788.44	\$40,788.44
000-92050	SLED	MI 1005	(\$6,136.61)	(\$6,136.61)
000-92015	TEC AND COMP ED	MI 1003	(\$18,061.82)	
		MI 1012	(\$26,828.41)	
		MI 1041	\$9,714.96	(\$35,175.27)
051-92010	USC COASTAL	MI 1010	(\$4,017.00)	(\$4,017.00)
000-92070	WILDLIFE	MI 1001	(\$91,115.01)	
		MI 1009	(\$289,853.04)	
		MI 1042	\$137,740.87	(\$243,227.18)
091-78595	WINTHROP COLLEGE	MI 1007	(\$24,447.37)	
		MI 1037	\$60,649.34	\$36,201.97
			PRIOR MONTH ADJ	(\$501,857.18)
			CURRENT MONTH	\$1,780,401.10
	GOVERNOR'S OFFICE MONTH OF APRIL 1990	GRAND TOTAL		\$1,278,543.92

FEBRUARY 1990 WAS REPORTED ON A YEAR-TO-DATE BASIS. CORRECTIONS TO DISBURSEMENTS SHOWN AS CREDITS ABOVE ARE REDUCING THE AGENCIES WHICH WERE AFFECTED BY THE FEBRUARY ERROR.

EXHIBIT 14338

MAY 8 1990

9

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAY 8 1990

10

STATE BUDGET AND CONTROL BOARD

MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA

ITEM NUMBER

10

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	1	\$241.50

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Mental Health (1).

ATTACHMENTS:

Referenced report

14339

# 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	April	1	\$241.50	0	1	0	0
Total		1	\$241.50	0	1	0	0

EXHIBIT

MAY 8 1990

10

STATE BUDGET & CONTROL BOARD

14340

May 8, 1990, BCB Meeting



MAY - 2 1990

**DMH** South Carolina  
Department of  
Mental Health

Commissioner's Office  
2414 Bull Street/P.O. Box 485  
Columbia, SC 29202  
(803) 734-7780  
Information: (803) 734-7766

Joseph J. Bevilacqua, Ph.D.  
State Commissioner

April 27, 1990

EXHIBIT

MAY 8 1990

10

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
P. O. Box 1444  
Columbia, South Carolina 29211

Re: Reimbursement for Travel

Dear Mr. McInnis:

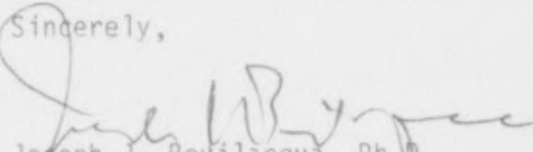
It is essential that we recruit trained professionals with specialized skills in deaf services to serve the deaf population of the South Carolina Department of Mental Health. Our efforts to recruit master's-prepared social workers for this purpose have resulted with an application from Roger C. Williams, MSW who is currently employed in Wilmington, North Carolina. Currently, we do not have qualified candidates in-state who have expressed interest in this program.

The cost of bringing Mr. Williams to Anderson is less than sending a staff member to Wilmington to interview this candidate. The total cost of bringing Mr. Williams to Anderson for an interview is as follows:

Air fare	\$238.00
One meal	3.50
Total	<u>\$241.50</u>

Approval is requested for payment of expenses in the amount of \$241.50 as stated above.

Sincerely,

  
Joseph J. Bevilacqua, Ph.D.  
State Commissioner

JJB:bk

MENTAL HEALTH COMMISSION:

Richard K. Harding, M.D., Chairman, Columbia  
C. Alex Harvin, Jr., Vice-Chairman, Summerton  
Blaine T. Freeman, Spartanburg

E.A. Hall, Jr., Columbia  
Ernest E. Hamill, Greenville  
Louise R. Hassenplug, Rock Hill

John P. Linton, Esq., Charleston

14341

# EXHIBIT

MAY 8 1990

11

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION

MEETING OF May 8, 1990

ITEM NUMBER

---

AGENCY: Budget Division

---

SUBJECT: Recognition of Year-end Deficit, Department of Corrections

The Division advises that, on February 28, 1990, it was notified by the Department of Corrections of a possible year-end deficit of approximately \$3.5 to \$4.0 million.

The Division has been working closely with the Department. Significant progress has been made in limiting the amount of the deficit; however, the Department will have a year-end deficit of approximately \$3.4 million.

The Division recommends that, pursuant to Section 129.6, the Board officially recognize the Department of Corrections' operating deficit.

---

BOARD ACTION REQUESTED:

Pursuant to Section 129.6, officially recognize the necessity for an approximate \$3.4 million operating deficit in the Department of Corrections for fiscal year 1989-90.

---

ATTACHMENTS:

Agenda item worksheet; attachments

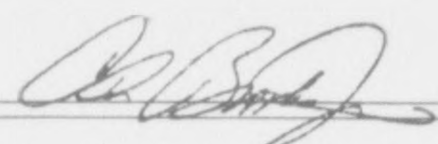

14342

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

90-65

Meeting Scheduled for: May 8, 1990

Regular Agenda

1. Submitted By:  
 (a) Agency: State Budget Division  
 (b) Authorized Official Signature: 
2. Subject:  
 Recognition of Year-End Deficit - Department of Corrections
3. Summary Background Information:  
 On February 28, 1990, the Budget and Control Board was notified by the S.C. Department of Corrections of a possible year-end deficit of between \$3.5 - 4 million. The Budget Division has been working closely with the agency, and while significant progress has been made by the agency in limiting the amount of the deficit, the fact remains that the S.C. Department of Corrections will, without a doubt, experience a year-end deficit of approximately \$3.4 million. Pursuant to Section 129.6 (copy attached) the S.C. Department of Corrections wishes to have the deficit formally recognized by the Board at this time.
4. What is Board asked to do?  
 Formally recognize the operating deficit anticipated by the S.C. Department of Corrections.
5. What is recommendation of Board Division involved?  
 Recommend Approval.  

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. Internal Memo
  3. Section 129.6 of the 1989-90 Appropriation Act
 (b) List Those Not Attached But Available From Submitter:

**EXHIBIT**

MAY 8 1990

11

STATE BUDGET & CONTROL BOARD

14343



April 6, 1990

TO: Charlie Brooks

VIA: George Dorn

FROM: Lynette Rinker

SUBJECT: Department of Corrections Operating Deficit

This is to advise that the Department of Corrections, based on third quarter expenditures, estimates the overall agency operating budget deficit to be \$3 - 3.1 million. This figure has been revised downward from an earlier estimate of up to \$5 million. While this reduction is indicative of the agency's success in managing the deficit, the fact remains that the agency will without a doubt experience a substantial operating deficit this fiscal year.

Corrections officials advise that the deficit has been most significantly impacted by the following actions:

- Delaying hiring of all new positions including correctional officers
- Reducing overtime expenditures; overtime was down 24% in the last payroll
- Virtually eliminating all travel and equipment purchases

The largest unencumbered item in the Corrections budget at this time is utilities--currently showing a balance of \$2.3 million. If the weather remains mild, it is conceivable that the expenditure of \$100,000 - \$250,000 could be avoided. However, this represents the agency's last prospect of identifying funds to offset the deficit.

Because of the deficit, the agency intends to delay until next fiscal year a minimum of three payments, the computer payment, worker's compensation premium and health/dental insurance premium. These are normally handled as 13th month payments, but the agency sees this as an alternative to "managing" this year's budget. Of course this only serves to compound problems in next year's budget.

I have requested a letter from the Department formally advising us of the status of the deficit as of the third quarter. Upon receipt of this letter I will prepare an agenda item for the Board. Please let me know if you require any further information.

14344



# south carolina department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221-1787  
TELEPHONE (803) 737-8555  
PARKER EVATT, Commissioner

May 1, 1990

Mr. Charles A. Brooks, Jr., Director  
State Budget Division, Budget and Control Board  
Edgar Brown Building, Suite 525  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Mr. Brooks:

SUBJECT: DEPARTMENT OF CORRECTIONS FY 89-90 DEFICIT

This is to advise the Budget and Control Board of the status of the Department of Corrections FY 89-90 budget deficit. In effect, the Department has fifteen percent (15%) of its' budget remaining with seventeen percent (17%) of the fiscal year to complete. Budget requirements vs. expenditures are obviously not that exacting, but every effort is being made to minimize the deficit problem utilizing all categories. The beginning of the year problem was \$5.0 million, the February disclosure to the Budget and Control Board was for the deficit to fall between \$3.5 million and \$4.0 million, the latest projection is \$3.4 million. The agency has in fact implemented procedures to control expenditures in all areas, those most significantly impacted and the actions taken are as follows:

- Delaying hiring of all new positions including Correctional Officers
- Reducing overtime expenditures; overtime since February has been reduced by twenty four percent (24%)
- Equipment purchases are restricted to critical replacements, relative to public safety considerations, and necessary procurements to begin operation of new institutions
- Travel has been virtually eliminated, in fact if travel is essential, employees have been requested to incur a portion of the cost without reimbursement

The largest unencumbered item in the corrections budget as of the end of April is utilities; currently showing a balance of approximately \$1.6 million. If the weather is mild between now and fiscal year-end, it is conceivable that the Department could avoid \$100,000 - \$250,000 of expenditures. The only other potential positive windfall is from the reimbursement of insurance funds for Hugo repair expenditures where state funds were previously utilized; approximately \$45,000.

14345

**BOARD OF  
CORRECTIONS**

EUGENE N. ZEIGLER  
Chairman  
Florence, S.C.

GOETZ B. EATON  
Vice-Chairman  
Anderson, S.C.

C. LOCK MCKINNON  
Secretary  
Lancaster, S.C.

NORMAN KIRKLAND  
Member  
Bamberg, S.C.

ADRIENE WRIGHT  
Member  
Goose Creek, S.C.

MILTON SMITH  
Member  
Spartanburg, S.C.


GOV. CARROLL A. CAMPBELL, JR. Member Ex Officio, Columbia, S.C.

Mr. Charles A. Brooks, Jr.  
May 1, 1990  
Page Two

If necessary, the agency will try and delay until next fiscal year a minimum of three payments, the computer payment, worker's compensation premium and health/dental insurance premium. These are normally handled as 13th month payments, but the agency sees this as an offset to the deficit within this fiscal year, of course this approach will only force the problem into next year.

We will continue to make every effort to minimize the problem and keep you updated as we proceed into fiscal year-end.

Sincerely,

  
Parker Evatt

PE/pcm

cc: Ms. Lynette Rinker

EXHIBIT  
MAY 8 1990 11  
STATE BUDGET & CONTROL BOARD

14346



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129.6. As far as practicable all departments, institutions, and agencies of the State are hereby directed to budget and allocate the appropriations herein made to them as quarterly allocations so as to provide for operation on uniform standards throughout the fiscal year and in order to avoid a deficiency in such appropriations. It should be recognized that academic year calendars of state institutions will affect the uniformity of the receipt and distribution of funds during the years. The Budget and Control Board is authorized to require any agency, institutions or department to file a quarterly allocations plan and is further authorized to restrict the rate of expenditures of the agency, institution or department if the Board determines that a deficit may occur. The bonds of State officials violating the terms of this section shall be held liable therefor, unless the Budget and Control Board has been advised of, and officially recognizes the necessity for such deficit.

## EXHIBIT

MAY 8 1990

11

STATE BUDGET & CONTROL BOARD

14347

# EXHIBIT

MAY 8 1990

12

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 2

AGENCY: Insurance Services

SUBJECT: Hartford Insurance Portability Option

The Division advises that, in November of 1988, The Hartford Life Insurance Company became the State optional life carrier and, at that time, agreed to continue a non-required portability program offered by the former carrier, Mutual of Omaha.

In November of 1989, Hartford announced a 100% rate increase for the portability program option due to poor experience and to the shrinking size of the group.

The Division has negotiated an optional program with Hartford that will lower the rates for individuals currently covered under the portability program and provide an additional term life insurance option for active State or school district employees.

The Wyatt Company, actuarial consultant, has reviewed the amendment and recommends its adoption.

BOARD ACTION REQUESTED:

Amend the optional life insurance program by adding an optional program that will lower the rates for individuals currently covered under the portability program and provide an additional term life insurance option for active State or school district employees.

ATTACHMENTS:

Agenda item worksheet; executive summary; Wyatt recommendation

14348

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

For meeting scheduled for:

Blue Agenda  
☒ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: DIVISION OF INSURANCE SERVICES

(b) Authorized Official Signature: James C. Bennett

2. Subject: HARTFORD INSURANCE PORTABILITY OPTION

3. Summary Background Information:

In November of 1988, The Hartford Life Insurance Company became the State Optional Life carrier and at that time, agreed to continue a non-required portability program offered by the former carrier, Mutual of Omaha. In November of 1989, they announced a 100% rate increase for this option due to poor experience and the shrinking size of the group. The Division of Insurance Services has negotiated an optional program with the Hartford which will lower the rates for the individuals currently covered under the portability and provide an additional term life insurance option for active state or school district employees.

This amendment to the optional life program has been reviewed by the Wyatt Company, Actuarial Consultants to the Division and they recommend its adoption.

Continue on the Back.

4. What is Board asked to do?

Consider amending the optional life program by adding this option to the employee benefit package for an effective date of 11-1-90.

5. What is recommendation of the Board Division involved?

This Division of Insurance Services recommends that the Board approve this amendment to the Optional Life Program.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

- a) Executive Summary
- b) Wyatt Recommendation

List Those Not Attached But Available  
from Submitter

EXHIBIT

MAY 8 1990

12

STATE BUDGET & CONTROL BOARD

14349



## Executive Summary

### Reference

State of South Carolina Optional Life Plan Underwritten by The Hartford Life and Insurance Company  
Policy Number: GL24521 - Active Employees  
Policy Number: GL24597 - Portability Policy

### Proposal

Under the terms of the above mentioned existing contracts, Hartford proposes to solve the problem that has caused distress for retirees who continued their Optional Life coverage after retirement under the portability option (Contract Number GL24597). On November 1, 1988, when Hartford replaced United of Omaha on the risk for those who were insured under the portability option, rates were increased by approximately 12.5 percent above those charged active employees. On February 1, 1990, the portability contract sustained a 100 percent rate increase for all participants due to poor claims experience and a significant drop of participation in the group. The drop in participation was predictable because enrollment in the portability option is limited to only those employees who terminated prior to November 1, 1988. Consequently, the portability contract is a closed group that is unable to enroll new and possibly better risks.

The proposed expansion of GL24521 and GL24597 would remedy this situation by allowing participation and growth of GL24597 with the infusion of the following employees who would be eligible to enroll:

- 1) those active full-time employees who are enrolled in the Optional Life Plan as of the enrollment period for this program;
- 2) those retirees who were enrolled in the Optional Life Plan as of the date of their retirement; and
- 3) those former employees who are enrolled under the portability options as of the enrollment period for this program.

(GL24521) Currently, active employees are limited in the amount of group term life insurance they can purchase based on their salary. The proposed expansion would allow a current insured to purchase an additional fifteen thousand (Option 1) or twenty-five thousand (Option 2) regardless of basic salary restrictions. These two additional options would require the participant to pay a higher premium than is currently charged for his/her same age as a participant in the basic Optional Life Plan. This is due to pooling of risk, in the two additional options, with that of retired employees of a higher risk factor.

# EXHIBIT

MAY 8 1990

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Executive Summary  
Page 2

## STATE BUDGET & CONTROL BOARD

The current basic Optional Life Plan (GL24521) only insures active employees.

Although the proposed expanded Options (1 and 2) have a higher premium and do not include accidental death and dismemberment benefits like the basic Optional Life Plan, they do afford the following advantages to employees, both active and retired:

- 1) an additional program of life insurance for all active full-time employees of South Carolina state agencies, public school districts, and eligible counties,
- 2) a new program of life insurance for those employees of South Carolina state agencies, public school districts, and eligible counties who retired on or after November 1, 1988, and
- 3) a revised program of life insurance for those former employees of South Carolina state agencies, public school districts, who are covered under the portability option.

### Comparable Features of the Proposed Additional Options

- 1) Premium collection and reporting for active employees will be handled by the state in the same manner as the current Optional Life benefit. (Retired employees will be directly billed by The Hartford)
- 2) The proposed additional options will not include any disability provisions such as Waiver of Premium or Extended Death, which is consistent with the current Optional Life contract concerning no waiver of premium payment in the event of disability.
- 3) The proposed additional options do not include an Accidental Death and Dismemberment Benefit, which is different from the basic Optional Life Contract (GL24521).
- 4) Coverage terminates at Age 70 for current and future retirees, and will be reduced, beginning at age 70, for actives, based on ADEA guidelines. All of these conditions are consistent with the basic Optional Life contract (GL24521).
- 5) The proposed additional options will be effective 11-1-90, and will replace the current portability option.
- 6) Rates will be guaranteed not to change through December 31, 1991 to coincide with the current Optional Life contract (GL24521).

14351

Benefits and Rate Comparison

<u>Age</u>		Current Portability Premium \$15,000	Proposed Additional <u>Option 1</u> \$15,000	Current Port. Premium \$25,000	Proposed Additional <u>Option 2</u> \$25,000
Under	35	1.90	1.65	3.10	2.75
35	- 39	2.40	2.07	3.96	3.45
40	- 44	3.74	3.27	6.22	5.45
45	- 49	5.40	4.80	9.00	8.00
50	- 54	8.46	7.68	14.10	12.80
55	- 59	13.36	12.00	22.24	20.00
60	- 64	20.80	18.42	34.62	30.70
65	- 69	31.60	29.61	52.60	49.35

Recommendation

The Division of Insurance Services recommends that the Board approve expansion of the existing contracts (GL24521 and GL24597) as outlined, in an effort to provide all employees, both active and retired, the opportunity to increase and/or continue their group term life benefits at their own expense.



THE *Wyatt* COMPANY

ACTUARIAL SERVICES  
COMPENSATION PROGRAMS  
ADMINISTRATIVE SYSTEMS  
INTERNATIONAL SERVICES  
ORGANIZATION SURVEYS

1900 NCNB CENTER, TOWER II  
325 NORTH ST. PAUL STREET  
DALLAS, TEXAS 75201  
(214) 979-3800  
FACSIMILE: (214) 979-3898

EMPLOYEE BENEFITS  
EMPLOYEE COMMUNICATIONS  
RISK MANAGEMENT  
INSURANCE CONSULTING  
HEALTH CARE CONSULTING

May 2, 1990

Mr. David Anderson  
Assistant Division Director  
Insurance Benefits Management  
1201 Main Street, Suite 300  
Columbia, South Carolina 29201

Dear Mr. Anderson:

Revised Supplemental Life Insurance Program

In a letter dated March 26, 1990, we provided our observations regarding a supplemental life insurance proposal made by Hartford Life and Accident Insurance Company. Hartford has revised its proposal to reflect the following changes:

1. The eligibility for coverage has been expanded to include those retirees who retired on or after November 1, 1988.
2. The minimum participation requirement has been removed.
3. The rates have been guaranteed for 14 months, until January 1, 1992, to provide for an anniversary which will coincide with the regular program.

In its revised proposal, Hartford has increased its premium rates by approximately 6%. The new proposed rates, expressed as a monthly rate per \$1,000 of insurance, are:

<u>Age</u>	<u>Monthly Rate</u>
Under 35	\$ .11
35 - 39	.138
40 - 44	.218
45 - 49	.32
50 - 54	.512
55 - 59	.80
60 - 64	1.23
65 - 69	1.97

14353

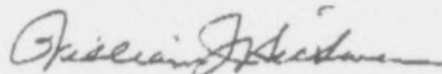
In evaluating the appropriateness of these rates, given the fact that the rates included in the original proposal were found to be acceptable, we considered the impact of the three changes mentioned above. In our opinion, the inclusion of those retirees who retired on or after November 1, 1988 will have little effect on the rates. Likewise, the extension of the guaranteed period to 14 months should not have significant impact. Hartford's potential risk is affected, however, by the removal of participation requirements.

In the original proposal, Hartford required that at least 35% of those enrolled in the Optional Life Plan enroll in the new plan. This requirement assured Hartford of a spread of risk over a significant population group. To reflect the possibility that fewer than 35% of those in the Optional Life Plan might enroll in the new plan, thus reducing the spread of risk, Hartford has increased its rates by 6%. We find this increase to be acceptable for the initial enrollment. If, in fact, 35% or more of those in the Optional Life Plan enroll in the supplemental plan, we would expect Hartford to make appropriate adjustments at the end of the 14 month guarantee period.

Please contact us with any questions you may have.

Sincerely,

THE WYATT COMPANY



William J. Hickman  
Consultant

vlw

EXHIBIT

MAY 8 1990

12

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAY 8 1990

13

STATE BUDGET AND CONTROL BOARD  
MEETING OF MAY 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 3

AGENCY: Budget and Control Board

SUBJECT: Radioactive Waste Surcharge for Compact Commission and Administration

Southeast Compact Commissioner John N. McMillan advises that the Compact Commission has approved a 1990-91 budget of \$600,465, \$19,000 of which will be covered by a carryforward from 1989-90. A copy is attached. This budget is about \$92,500 above the prior year's with major differences being: (1) a \$52,000 increase for staff salaries and fringes; (2) a \$55,000 item for a Legislator's Conference; (3) a \$45,000 decrease in professional fees/contract labor; and (4) a \$12,000 increase for clerical.

He also asks that \$40,000 for administrative expenses for the Governor's Office, Division of Energy, Agriculture and Natural Resources be provided as in the past few years.

The total funding needed for 1990-91 thus is \$621,465 (\$600,465 - 19,000 + 40,000). To provide the funds needed, Mr. McMillan recommends that the Board continue the surcharge of 66¢ per cubic foot of low-level radioactive waste received at the Barnwell facility for the July 1, 1990, through June 30, 1991, period. He indicates that the anticipated volume is about 950,000 cubic feet which is an increase of 120,000 cubic feet over the expectations at about this time last year. The 950,000 cubic feet would generate \$627,000.

As has been the practice, staff proposes that Chem-Nuclear Systems, Inc., be directed to collect this surcharge on behalf of the Board and to remit the total amount derived from it to the State Treasurer's Office each month. Also as in the past, staff proposes that, until the \$581,465 and the \$40,000 budget maximums for the Compact Commission and the Governor's Office, respectively, are reached, the State Treasurer's Office be asked to remit 93.6% of the 66¢ surcharge received each month to the Compact Commission and to transfer the remaining 6.4% to the Governor's Office (the percentages are each entity's share of the \$621,465 total).

To stay on the common accounting basis achieved two years ago with the Compact Commission, staff further recommends that:

- (a) surcharge collections received between August 1, 1990, and July 30, 1991 (collected normally in July 1990 and June 1991, respectively) be applied to the extent required against the 1990-91 budgets and that the August through July pattern be followed in future years; and
- (b) to the extent needed to meet approved budgets for 1989-90:
  - (1) collections received in July of 1990 would be applicable to budgets for 1989-90; and
  - (2) excess surcharge collections from prior years being held by the State Treasurer's Office be considered payable.

14355



AGENCY: Budget and Control Board

SUBJECT: Radioactive Waste Surcharge for Compact Commission and Administration

If collections attributable to any fiscal year exceed the approved Commission and Governor's Office budget amounts, it has been the Board's position that those amounts are to be held by the State Treasurer for payment as the Board may direct.

The amount paid to the Compact Commission through April 30, 1990, against the 1989-90 budget of \$508,000 is \$487,121.55, leaving a balance due of \$20,878.45. The amount paid through April to the Governor's Office against its \$40,000 budget is \$38,360.16, leaving a balance due of \$1,639.84.

EXHIBIT

MAY 8 1990

13

STATE BUDGET & CONTROL BOARD

BOARD ACTION REQUESTED:

- (a) In accord with Code Sections 13-7-30 and 48-47-100, levy a surcharge of 66c per cubic foot of waste received at the Barnwell facility during the July 1, 1990, through June 30, 1991, period and direct Chem-Nuclear Systems, Inc., to collect this surcharge on behalf of the Board and to remit all collections to the State Treasurer monthly;
- (b) Agree that August 1990 through July 1991 collections received are applicable to the 1990-91 budgets and authorize the State Treasurer to pay from the amounts received each month from August 1, 1990, through July 30, 1991, 93.6% to the Southeast Compact Commission, with the total not to exceed \$581,465 for 1990-91; and 6.4% to the Office of the Governor, with the total to that Office not to exceed \$40,000 for 1990-91; and
- (c) Agree that, to the extent they may be needed to meet approved budgets for 1989-90, July 1990 collections received and excess collections from prior years may be applied for these purposes.

ATTACHMENTS:

McMillan April 23, 1990, memo to McInnis with budget; Code Sections 13-7-30 and 48-47-100.

14356

APR 24 1990



State of South Carolina  
Office of the Governor

CARROLL A. CAMPBELL JR.  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

M E M O R A N D U M

TO: Bill McInnis  
FROM: John McMillan *gm*  
DATE: April 23, 1990  
RE: Southeast Compact Budget

Article IV (H) of the Southeast Interstate Low-Level Radioactive Waste Management Compact provides that a surcharge must be levied by the Host State upon all users of the regional disposal facility to provide sufficient funds to cover the annual budget of the Southeast Compact Commission.

At a meeting on April 5, 1990, the Southeast Compact Commission adopted a budget for the 1990-91 Fiscal Year in the amount of \$600,465, of which \$19,000 will be provided by carry-over from the FY 89-90 budget. Based upon anticipated volume of approximately 950,000 cubic feet, I request the South Carolina Budget and Control Board to continue the current 66 cents per cubic foot fee on disposal. This fee should allow funding for the Southeast Compact Commission budget and the annual \$40,000 administrative expenses for the Governor's Office, Division of Energy, Agriculture and Natural Resources.

Enclosure

cc: Dr. Whit Ayres

14357

SOUTHEAST COMPACT COMMISSION  
ANNUAL BUDGET  
July 1, 1990 - June 30, 1991  
Adopted April 5, 1990

Income:

Carry over from 1989-1990	19,000
Surcharge Income	581,465

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TOTAL INCOME	\$600,465
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Operating Expenses:

Salaries	152,652
Commission and Advisory Travel	52,800
Staff Travel and Continuing Education	26,200
Meeting Facilities	1,000
Telecommunications	7,024
Printing & Supplies	15,889
Clerical	24,432
Insurance	2,400
Postage, Courier	13,600
Office Rent	8,268
Professional Fees/Contract Labor	32,800
Dues & Subscriptions	900
Legislators's Conference	55,000
General	7,500
State Assistance Fund	200,000

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TOTAL OPERATING EXPENSES	\$600,465
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EXHIBIT

MAY 8 1990

13

STATE BUDGET & CONTROL BOARD

14358



**§ 13-7-30. Powers and duties of State Budget and Control Board; assessment of surcharges and penalty surcharges on nonsited waste received at regional disposal facility.**

For purposes of this article, the State Budget and Control Board, hereinafter in this section referred to as the Board, is designated as the agency of the State which shall have the following powers and duties that are in accord with its already established responsibilities for custody of state properties, and for the management of all state sinking funds, insurance, and analogous fiscal matters that are relevant to state properties:

(1) Expend state funds in order to acquire, develop, and operate land and facilities. This acquisition may be by lease, dedication, purchase, or other arrangements. However, the state's functions under the authority of this paragraph are limited to the specific purposes of this article.

(2) Lease, sublease, or sell real and personal properties to public or private bodies.

(3) Assure the maintenance of insurance coverage by state licensees, lessees, or sublessees as will in the opinion of the Board protect the citizens of the State against nuclear incident that may occur on state-controlled atomic energy facilities.

(4) Assume responsibility for extended custody and maintenance of radioactive materials held for custodial purposes at any publicly or privately operated facility located within the State, in the event the parties operating these facilities abandon their responsibility, and whenever the federal government or any agency of the federal government has not assumed the responsibility.

In order to finance such extended custody and maintenance as the Board may undertake, the Board may collect fees from private or public parties holding radioactive materials for custodial purposes. These fees must be sufficient in each individual case to defray the estimated cost of the Board's custodial management activities for that individual case. The fees collected for such custodial management activities shall also be sufficient to provide additional funds for the purchase of insurance which shall be purchased for the protection of the State and the general public for the period such radioactive material considering its isotope and curie content together with other factors may present a possible danger to the general public in the event of migration or dispersal of such radioactivity. All such fees, when received by the Board, must be transmitted to the State Treasurer. The Treasurer must place the money in a special account, in the nature of a revolving trust fund, which may be designated "extended care maintenance fund", to be disbursed on authorization of the Board. Monies in the extended care maintenance funds must be invested by the Board in the manner as other state monies. However, any interest accruing as a result of investment must accrue to this extended care maintenance fund. The extended care maintenance fund must be used exclusively for maintenance costs or for otherwise satisfying custodial and maintenance obligations.

(5) Enter into an agreement with the federal government or any of its authorized agencies to assume extended maintenance of lands donated, leased, or purchased from the federal government or any of its authorized agencies and used for development of atomic energy resources or as custodial site for radioactive material.

(6) In accordance with § 48-47-100 (2), impose, collect, and disburse special fees or surcharges on all users of any regional low-level radioactive waste disposal facility to provide for annual funding of the Southeast Low-Level Radioactive Waste Management Compact Commission.

(7)(a) The State Budget and Control Board shall assess surcharges and penalty surcharges on nonsited waste received at the regional disposal facility. The surcharges are imposed to the maximum extent permitted by § 5(d)(1) of Public Law 99-240 unless a lesser amount is authorized upon recommendation of the Budget and Control Board and upon approval of the General Assembly by Joint Resolution. The Department of Health and Environmental Control shall notify the operator whenever a generator is to be assessed a penalty surcharge or whenever the assessment of a penalty surcharge is to be terminated.

(b) For the purposes of this item:

- (1) "Sited region" means a Low-Level Radioactive Waste Compact region established under Public Law 96-573 in which there is located one of the following regional disposal facilities: Barnwell, in the State of South Carolina; Richland, in the State of Washington; or Beatty, in the State of Nevada.
- (2) "Regional disposal facility" means the nonfederal low-level radioactive waste disposal facility located in Barnwell County, South Carolina.
- (3) "Surcharge" means the per cubic foot charge authorized by § 5(d)(1) of Public Law 99-240.
- (4) "Penalty surcharge" means the additional per cubic foot charge required by § 5(e)(2) of Public Law 99-240.
- (5) "Surcharge funds" means those funds collected by the operator in payment for the surcharges and penalty surcharges assessed as provided herein.
- (6) "Operator" means the person who operates the regional disposal facility.
- (7) The definitions contained in Chapter 47 of Title 48 are applicable to this section.

§ 13-7-30

(8) "Nonsited waste" means waste generated outside the sited regions, as provided in § 5 of the Low-Level Radioactive Waste Policy Amendments Act of 1985, Public Law 99-240.

- (c) On the fifteenth day of each month, the operator shall remit to the Budget and Control Board an amount equal to the per cubic foot surcharge for each cubic foot of nonsited waste received by the operator as of the first day of the preceding month. On the last day of each month, the operator shall remit to the Budget and Control Board an amount equal to the per cubic foot surcharge for each cubic foot of nonsited waste received by the operator as of the fifteenth day of the preceding month.

On the fifteenth and last day of each month, the operator shall report to the department of Health and Environmental Control any generator who fails to reimburse the operator, within sixty days of receipt of the waste at the site, for the surcharge funds paid by the operator. Any generator who fails to pay the surcharge funds within such sixty-day period is denied access to the site. Access is reinstated upon satisfaction of the following conditions: (1) certification by the department that all outstanding surcharges and penalty surcharges have been paid; and (2) prepayment of surcharges for all future deliveries to the site.

- (d) The State Treasurer on a monthly basis shall remit to the United States Secretary of Energy twenty-five percent of the surcharge funds collected as required by § 5(d)(2)(A) of Public Law 99-240 as the Treasurer in conjunction with the United States Department of Energy shall determine. No portion of any penalty surcharges may be remitted to the United States Secretary of Energy.
- (e) Of the remaining balance from the surcharge after the allocation provided in subitem (d), together with all penalty surcharges, the Treasurer shall remit ten percent of such balance to the governing body of Barnwell County and all funds thereafter shall be deposited to the general fund of the State.
- (f) Upon enactment of this item, the State Treasurer shall transfer to the Secretary of Energy of the United States twenty-five percent of the ten dollars a cubic foot fee collected by the operator since March 1, 1986, pursuant



to the direction of the State Budget and Control Board. The remaining portion of such fees previously collected must be deposited to the general fund of the State.

- (g) The Budget and Control Board and the operator shall furnish the Department of Health and Environmental Control with all necessary information required by the department to monitor and enforce the compliance provisions of Public Law 99-240.

**HISTORY:** 1982, Act No. 452, § 2, eff June 9, 1982; 1986 Act No. 540, Part II, § 15A, effective June 18, 1986, and became law without the Governor's signature.

**Effect of Amendments—**

The 1982 amendment deleted from items (1) and (2) provisions predicated Board action on its belief that they will foster development of the state's economic potential in the atomic energy field; substituted throughout the section references to "extended custody and maintenance," "extended maintenance," and "extended care maintenance fund" for the former "perpetual custody and maintenance," "perpetual maintenance," and "perpetual maintenance fund;" added the present third sentence to the second paragraph of item (4); added subsection (6); and made other minor changes in wording.

The 1986 amendment added item (7).

**Cross references—**

As to the Governor's Nuclear Advisory Council, see §§ 13-7-810 et seq.

As to Uniform Statutory Rule Against Perpetuities, see §§ 27-6-10 et seq., and in particular see § 27-6-50.

As to the Board's responsibility for custody and maintenance of the Barnwell disposal site following closure and license transfer from the facility operator, see § 48-48-80.

**Federal Aspects—**

As to provisions of Public Law 96-573, see 42 USCS §§ 2021b-2021d.

As to provisions of Public Law 99-240, see 42 USCS §§ 2021b-2021j.

**§ 48-47-100. Funding for Commission.**

Funding for the Commission must be provided as follows:

1. Each eligible state, upon becoming a party state, must pay twenty-five thousand dollars to the Commission which must be used for costs of the Commission's services.
2. Each state hosting a regional disposal facility must annually levy special fees or surcharges on all users of that facility, based upon the volume of wastes disposed of at these facilities, the total of which:
  - (a) must be sufficient to cover the annual budget of the Commission;
  - (b) must represent the financial commitments of all party states to the Commission;
  - (c) must be paid to the Commission; provided, however, that each host state collecting these fees or surcharges may retain a portion of the collection sufficient to cover its administrative costs of collection and that the remainder is sufficient only to cover the approved annual budgets of the Commission.
3. The Commission must set and approve its first annual budget as soon as practicable after its initial meeting. Host states for regional disposal facilities must begin imposition of the special fees and surcharges provided for in this section as soon as practicable after becoming party states, and must remit to the Commission funds resulting from collection of such special fees and surcharges within sixty days of their receipt.

**HISTORY:** 1982 Act No. 452, § 1; 1983 Act No. 91 § 1.

**Cross references—**

As to application of this article to facility already licensed for development or operation on date Compact becomes effective, see § 48-47-180.

For provisions relating to eligibility of states to become parties; petition, conditions; and procedure, see 48-47-220.

For provisions relating to procedures upon enactment of Compact by first three states, see § 48-47-230.

As to power and duty of State Budget and Control Board to impose, collect and disburse special user fees or surcharges to provide funding in accordance with this section, see § 13-7-30.

Southeast Low-Level Radioactive Waste Compact Clearing Account  
Analysis of Receipts and Disbursements  
Fiscal Year 1990

Date	Desc	From Compact Tax Collections		Cash			Cash Balance (Excess)
		FM	FY	Receipts	Disbursement	Transfers	
6/30/89	Balance Forward						149,575.81
8/16/89	Rec 10645	2	90	69,910.64			
8/16/89	DBV 173	2	90		64,807.16		
8/16/89	JV 707	2	90			5,103.48	
9/14/89	Rec 18017	3	90	57,411.70			
9/21/89	JV 1256	3	90			4,191.05	
9/20/89	DBV 508	3	90		53,220.65		
10/13/89	Rec 24561	4	90	53,855.92			
10/13/89	JV 1632	4	90			3,931.48	
10/16/89	DBV 756	4	90		49,924.44		
11/14/89	Rec 32509	5	90	66,932.87			
11/25/89	JV 2172	5	90			4,886.10	
11/25/89	DBV 912	5	90		62,046.77		
12/14/89	Rec 40277	6	90	59,037.66			
12/15/89	JV 2612	6	90			4,309.75	
12/15/89	DBV 1055	6	90		54,727.91		
1/18/90	Rec 47107	7	90	51,471.39			
1/17/90	JV 3066	7	90			3,757.41	
1/22/90	DBV 1259	7	90		47,713.98		
2/15/90	Rec 54655	8	90	74,554.17			
2/22/90	JV 3555	8	90			5,442.45	
2/21/90	DBV 1468	8	90		69,111.72		
3/15/90	Rec	9	90	47,703.53			
3/19/90	JV 3928	9	90			3,482.36	
3/19/90	DBV 1635	9	90		44,221.17		
4/12/90	Rec 69097	10	90	44,603.83			
4/20/90	JV 4515	10	90			3,256.08	
4/23/90	DBV 1794	10	90		41,347.75		
Total Cash Fiscal Year to				\$525,481.71	\$487,121.55	\$ 38,360.16	0.00
Total Excess To Date							149,575.81
From collections made:							
During Fiscal Year 90				\$525,481.71	\$487,121.55	\$ 38,360.16	
During Prior Fiscal Year				\$ 0.00	\$ 0.00	\$ 0.00	
Totals				525,481.71	487,121.55	38,360.16	

14364



Southeast Low-Level Radioactive Waste Compact Clearing Account  
Calculation of Disbursement and Transfer Amounts  
for Monthly Surcharges Collected During  
Fiscal Year 1990

Surcharge amount received from Chem-Nuclear Systems	\$	44,603.83
Transfer rates for Fiscal Year 1990	SECC 92.70%	Governor 7.30%
Budget Maximums for Fiscal Year 1990	\$ 508,000.00	\$ 40,000.00
Disbursed Fiscal Year to Date	\$ 487,121.55	\$ 38,360.16
Unfunded Budget Fiscal Year to Date	\$ 20,878.45	\$ 1,639.84
Calculation (Surcharge received x rate)	\$ 41,347.75	\$ 3,256.08
Amount to be Disbursed/Transferred *	\$ 20,878.45	\$ 1,639.84
* Note: The "Amount" may not exceed the unfunded budget amount		

EXHIBIT

MAY 8 1990 13

STATE BUDGET & CONTROL BOARD

14365

# EXHIBIT

MAY 8 1990

14

STATE BUDGET AND CONTROL BOARD  
MEETING OF MAY 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION

ITEM NUMBER

4

AGENCY: The Citadel

SUBJECT: Issuance of State Institution Bonds/Notes

Notes in the principal amount of \$1,500,000 mature on June 19, 1990. The Citadel Board of Visitors has determined it to be in The Citadel's interest to pay \$150,000 of the principal amount outstanding and the interest on the Notes using excess debt service funds as the source.

The Citadel seeks Board approval of its application for funds through the issuance of \$1,350,000 of State institution bonds or bond anticipation notes with the proceeds used to refund the principal of the 1989 Notes.

BOARD ACTION REQUESTED:

Adopt a resolution approving the application of The Citadel requesting the issuance of \$1,350,000 principal amount of State Institution Bonds and requesting the Governor and the State Treasurer to issue such bonds or notes in anticipation thereof; and approve the use of excess debt service funds to pay \$150,000 principal and the interest due on the 1989 Notes.

ATTACHMENTS:

Referenced resolution.

14366

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND ) The Citadel

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, Carroll A. Campbell, Jr., Governor and  
Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the  
Senate Finance Committee; and

The Honorable Robert N. McLellan, 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 10:00 a.m. on Tuesday, May 8, 1990, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index 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, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 10:30 a.m. on Friday, May 4, 1990.

That all members of the Board were present at the meeting.

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 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.

June 14, 1990

William A. McInnis

14367



**EXHIBIT**

MAY 8 1990

14

STATE BUDGET & CONTROL BOARD

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RESOLUTION

APPROVING THE APPLICATION OF THE CITADEL REQUESTING THE  
ISSUANCE OF \$1,350,000 PRINCIPAL AMOUNT OF STATE  
INSTITUTION BONDS OF THE STATE OF SOUTH CAROLINA AND  
REQUESTING THE GOVERNOR AND THE STATE TREASURER TO ISSUE  
SUCH BONDS OR NOTES IN ANTICIPATION THEREOF.

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Adopted By

THE STATE BUDGET AND CONTROL BOARD

OF

SOUTH CAROLINA

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May 8, 1990

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14368

MAY 8 1990

14

## RESOLUTION

## STATE BUDGET &amp; CONTROL BOARD

APPROVING THE APPLICATION OF THE CITADEL REQUESTING THE ISSUANCE OF \$1,350,000 PRINCIPAL AMOUNT OF STATE INSTITUTION BONDS OF THE STATE OF SOUTH CAROLINA AND REQUESTING THE GOVERNOR AND THE STATE TREASURER TO ISSUE SUCH BONDS OR NOTES IN ANTICIPATION THEREOF.

WHEREAS, The Citadel (the "College") pursuant to a resolution adopted by the Board of Visitors (the "Board of Visitors") of the College on April 27, 1990, has requested that the State Budget and Control Board of South Carolina (the "State Board") issue \$1,350,000 principal amount of state institution bonds of the State of South Carolina (the "State") for the purpose of refunding \$1,350,000 principal amount of State Institution Bond Anticipation Notes dated June 20, 1989; and

WHEREAS, the State Board has determined on the basis of the Findings of Fact set forth below to request the Governor and the State Treasurer to issue state institution bonds pursuant to Chapter 107, Title 59, Code of Laws of South Carolina 1976, as amended, and pending the issuance thereof to issue notes in anticipation thereof.

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

Section 1. Findings of Fact.

As an incident to the adoption of this Resolution, the State Board finds:

(a) The State Board is authorized by the provisions of Chapter 107, Title 59, Code of Laws of South Carolina 1976, as amended (the "State Institution Bond Act"), to make provision for the issuance of state institution bonds in order to raise funds for construction and furnishing of buildings and other permanent improvements to the various institutions of higher learning in the State, including the College.

(b) The statutory limit now controlling the issuance of state institution bonds set forth in Section 11-27-30 of the Code of Laws of South Carolina 1976, as amended, will permit the issuance of state institution bonds in the amount herein authorized.

(c) On January 27, 1989 the Board of Visitors of the College requested the State Board to utilize the provisions of the State Institution Bond Act resulting in the issuance on June 20, 1989 of \$1,500,000 state institution bond anticipation notes (the "1989 Notes"), for the purpose of defraying a portion of the costs of the construction and equipping of a new dining hall.

(d) The State Board has been advised that the Board of Visitors, on April 27, 1990, adopted a resolution (the "College Resolution") determining to pay interest on, and \$150,000 principal of, the 1989 Notes from College tuition fees on deposit with the State Treasurer and requesting the issuance of \$1,350,000 principal amount of state institution bonds for the purpose of refunding the aggregate balance of \$1,350,000 principal amount of the 1989 Notes. The State Board hereby approves use of College tuition fees on deposit with the State Treasurer to pay interest on, and \$150,000 principal of, the 1989 Notes.

(e) The State is authorized by the provisions of Chapter 17 of Title 11 of the Code of Laws of South Carolina 1976, as amended (the "BAN Act"), to issue bond anticipation notes whenever it is authorized to issue bonds pending the sale and issuance thereof.

(f) Conditions in the bond market are such that the State and the College would be benefitted by the utilization of the authorization conferred upon the State by the BAN Act.

SECTION 2. Findings Required by Act.

The State Board makes the following findings pursuant to Section 59-107-50 of the State Institution Bond Act in connection with the application of the College for funding in the amount of \$1,350,000 from state institution bonds for the purpose of refunding \$1,350,000 principal amount of the 1989 Notes:

(a) There is a definite and immediate need for the issuance of \$1,350,000 principal amount of state institution bonds for the purpose of providing the moneys necessary to refund \$1,350,000 principal amount of the 1989 Notes.

(b) A satisfactory and proper schedule of tuition fees is in effect at the College. The schedule of tuition fees in effect at the College is set forth in Exhibit A to this Resolution. The schedule of tuition fees does not include fees collected from students for summer school terms.

(c) The Board of Visitors has agreed that the scheduled tuition fees for the College shall be revised from time to time and whenever necessary to provide not less than the sum needed to pay the annual principal and interest requirements on the proposed bonds and on all outstanding state institution bonds issued for the College.

(d) Upon the issuance of \$1,350,000 principal amount of state institution bonds herein authorized under the terms herein set forth, the maximum annual debt service on all state institution bonds and/or state institution bond anticipation notes secured by the tuition fees of the College will not be greater than 90% of the



tuition fees received by the College for the fiscal year ended June 30, 1989. The computation of maximum annual debt service allowable is set forth in Exhibit E to this Resolution.

SECTION 3. Approval of Application; Authorization of Bonds.

The application of the College is hereby approved and the Governor and the State Treasurer are hereby requested to issue state institution bonds in the principal amount of \$1,350,000 (the "Bonds") in accordance with the State Institution Bond Act, and particularly Section 59-107-60 thereof, as follows:

(a) The College has requested the issuance of \$1,350,000 principal amount of state institution bonds. On behalf of The Citadel, the State issued \$2,600,000 principal amount of state institution bonds dated September 1, 1977 and \$1,015,000 principal amount of state institution bonds dated December 1, 1978, the annual principal and interest requirements of which are set forth in Exhibit C to this Resolution.

(b) The State Board has made the findings required of it by the State Institution Bond Act.

(c) The State Board proposes that the Bonds be issued with the maturity schedule set forth in Exhibit B to this Resolution.

(d) The anticipated interest cost on the Bonds is as set forth in Exhibit B to this Resolution, assuming an interest rate of 7.25%.

(e) The anticipated aggregate annual principal and interest cost for the proposed Bonds is set forth in Exhibit B to this Resolution.

(f) Upon the issuance of the Bonds, Bonds maturing after the fifth anniversary date thereof shall be subject to redemption prior to maturity.

(g) The premium schedule for Bonds subject to redemption shall be not more than 3% in the first year, 2% in the second year, 1% in the third year and thereafter at par.

(h) The sum received by the College from tuition fees for the fiscal year ended June 30, 1989, is \$557,962.

(i) The sum received by the College from tuition fees for the twelve calendar months April 1989 through March 1990, inclusive (the most recent twelve months for which information is available), is \$514,698.73.

(j) The tuition fee schedule in effect at the College is set forth in Exhibit A to this Resolution.

SECTION 4. Request to Governor and State Treasurer to Effect issuance of Bonds or Notes.

Upon examination of this Resolution as provided by Section 59-107-70 of the State Institution Bond Act, the Governor and State Treasurer are requested and authorized to provide for the issuance by the State of the Bonds. If the State Treasurer should determine that issuance of bond anticipation notes ("BANs") pursuant to the BAN Act rather than state institution bonds would result in a substantial savings in interest under prevailing market conditions, the Governor and State Treasurer are hereby further requested and authorized to effect the issuance of BANs pursuant to the BAN Act. If BANs are issued and if, upon the maturity thereof the State Treasurer should determine that further issuance of BANs rather than state institution bonds would result in a substantial savings in interest under then prevailing market conditions, the Governor and State Treasurer are requested to continue the issuance of BANs, in a principal amount not to exceed the principal amount of the Bonds that would be outstanding on the date thereof in accordance with the schedule set forth in Exhibit B to this Resolution until the State Treasurer and the Governor determine to issue the Bonds on the basis as aforesaid, and the Bonds are issued.

SECTION 5. Details of BANs.

Subject to changes in terms required for any particular issue of BANs, the BANs shall be subject to the following particulars:

(a) The BANs shall be dated and bear interest from the date of delivery thereof, payable upon the stated maturity thereof at the rate determined by the State Treasurer and shall mature on such date, not to exceed one year from the issue date thereof, as shall be determined by the State Treasurer.

(b) The BANs shall be numbered from 1 upwards and shall be in the denomination of \$25,000 or any integral multiple thereof requested by the purchaser thereof. The BANs shall be payable, both as to principal and interest, in legal tender at maturity, at the principal office of a bank in the City of Columbia, South Carolina, designated by the Treasurer, or, at the option of the State Treasurer, at the office of the State Treasurer.

(c) The State Treasurer is authorized to negotiate the sale of the BANs and to fix the rate of interest to be borne thereby.

(d) The BANs shall be in substantially the form attached hereto as Exhibit F with such changes as are necessary for any particular issue, shall be executed in the name of the State by the Governor and the State Treasurer, and the Great Seal of the State shall be reproduced or affixed thereon, and the same shall be attested by the Secretary of State of South Carolina. Any or all



of such officials executing the BANs may use facsimiles of their signatures to the extent permitted by law.

(e) The BANs shall be issued in fully registered or bearer form as specified by the purchaser thereof; provided that once issued, the BANs of any particular issue shall not be reissued in any other form and no exchange shall be made from one form to the other.

(f) In the event any BAN is mutilated, lost, stolen or destroyed, the State may execute a new BAN of like date and denomination as the BAN mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated BAN, such mutilated BAN shall first be surrendered to the State Treasurer, and in the case of any lost, stolen or destroyed BAN, there shall be first furnished to the State Treasurer evidence of such loss, theft or destruction satisfactory to the State Treasurer, together with indemnity satisfactory to him; provided further that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such BAN shall have matured, instead of issuing a duplicate BAN, the State may pay the same without surrender thereof. The State may charge the holder of such BAN with its reasonable fees and expenses in this connection.

(g) Any BAN issued in fully registered form shall be transferable only upon the books of registry of the State Board, which shall be kept for that purpose at the office of the State Treasurer (or his duly authorized designee) as note registrar, by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the State Treasurer (or his duly authorized designee) as note registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any BAN, the State Board shall issue, subject to the provisions of paragraph (h) below, in the name of the transferee, a new BAN or BANs of the same aggregate principal amount as the unpaid principal amount of the surrendered BAN. Any holder of a BAN in fully registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any BAN in fully registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal and interest of any BAN in fully registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the State Board shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such BAN to the extent of the sum or sums so paid.



(h) BANs issued in fully registered form, upon surrender thereof at the office of the State Treasurer (or at such office as may be designated by his designee) as note registrar, with a written instrument of transfer satisfactory to the State Treasurer, duly executed by the holder of the BAN or his duly authorized attorney, may, at the option of the holder of the BAN, and upon payment by such holder of any charges which the State Treasurer may make as provided in paragraph (i), be exchanged for a principal amount of BANs in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered BANs.

(i) In all cases in which the privilege of exchanging or transferring BANs in fully registered form is exercised, the State Board shall execute and deliver BANs in accordance with the provisions of this Resolution. All BANs in fully registered form surrendered in any such exchanges or transfers shall forthwith be cancelled by the State Treasurer. There shall be no charge to the holder of such BAN for such exchange or transfer of BANs in fully registered form except that the State Treasurer may make a charge sufficient to reimburse the State for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(j) The BANs shall not be subject to prepayment prior to their maturity.

#### SECTION 6. Details of Bonds.

In the event state institution bonds are issued, the Bonds shall be in such form as is customary for state institution bonds at the date of their issue; shall be executed as provided in the State Institution Bond Act and shall be sold in accordance with the provisions of the State Institution Bond Act. The Bonds shall bear interest at the rate or rates determined on the sale thereof payable semiannually on the dates determined by the State Treasurer at the date of sale. The Bonds may contain such additional terms and provisions as are permitted by the State Institution Bond Act and as are not inconsistent with the provisions hereof as the State Treasurer determines are appropriate.

#### SECTION 7. Security for Bonds and BANs.

For the payment of the principal of and interest on the Bonds and the BANs as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged. In addition thereto, with respect to the Bonds, there shall also be pledged to the payment of the Bonds the tuition fees of the College. In addition thereto, with respect to the BANs, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the State Board covenants and agrees to

effect the issuance of BANs or Bonds in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

SECTION 8. Use of Proceeds.

The proceeds from the sale of the BANs or Bonds shall be applied as follows:

(a) If there are outstanding any BANs, the proceeds of the Bonds or any subsequent BANs shall, to the extent required, be applied to discharge the indebtedness represented by the outstanding BANs.

(b) Upon the initial issuance pursuant hereto, the proceeds shall be applied to the payment of \$1,350,000 principal amount of the 1989 Notes.

SECTION 9. Amending and Supplementing Resolution Without Consent of Holders of BANs or Bonds.

(a) The State Board, from time to time and at any time and without the concurrence of any holder of any BAN or Bond, may adopt a resolution amendatory hereof or supplemental hereto, if the provision of such supplemental resolution shall not materially adversely affect the rights of the holders of the BANs or Bonds then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in this Resolution as to which the State Board shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision in this Resolution, or to insert in this Resolution such provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

2. To add additional covenants and agreements of the State Board for the purpose of further securing the payment of the BANs or Bonds;

3. To surrender any right, power or privilege reserved to or conferred upon the State Board by the terms of this Resolution;

4. To confirm as further assurance any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution;



5. To grant or confer upon the holders of the BANs or Bonds any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

6. To modify any of the provisions of this Resolution in any other respects provided that such modification shall not be effective until after the BANs or Bonds outstanding at the time such supplemental resolution is adopted shall cease to be outstanding, or until the holders thereof consent thereto pursuant to Section 10 hereof, and any Notes or Bonds issued subsequent to any such modification shall contain a specific reference to the modifications contained in such supplemental resolution; and

7. To make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "IRC") relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the BANs or Bonds.

(b) The State Board shall not adopt any supplemental resolution authorized by the foregoing provisions of this Section unless in the opinion of counsel the adoption of such supplemental resolution is permitted by the foregoing provisions of this Section and the provisions of such supplemental resolution do not adversely affect the rights of the holders of the BANs or Bonds then outstanding.

SECTION 10. Amending and Supplementing Resolution with Consent of Holders of BANs or Bonds.

(a) With the consent of the holders of not less than a majority in principal amount of the BANs or Bonds then outstanding, the State Board from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Resolution, or modifying or amending the rights and obligations of the State Board under this Resolution, or modifying or amending in any manner the rights of the holders of the BANs or Bonds then outstanding; provided, however, that, without the specific consent of the holder of each such BAN or Bond which would be affected thereby, no supplemental resolution amending or supplementing the provisions hereof or thereof shall: (i) change the fixed maturity date of any BANs or Bonds or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any BANs or Bonds or the rate of interest thereon; (ii) reduce the aforesaid percentage of BANs or Bonds, the holders of which are required to consent to any supplemental resolution amending or



supplementing the provisions of this Resolution; (iii) give to any BANs or Bonds any preference over any other BANs or Bonds secured hereby; (iv) authorize the creation of any pledge, prior, superior or equal to the pledge created herein for the payment of the BANs or Bonds, or (v) deprive any holder of the BANs or Bonds of the pledge afforded by this Resolution.

(b) It shall not be necessary that the consents of the holders of the BANs or Bonds approve the particular form of wording of the proposed amendment or supplement or of the supplemental resolution effecting such amending or supplementing hereof pursuant to this Section. The State Board shall (i) mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement of such amendment or supplement postage prepaid, to each holder of BANs or Bonds in fully registered form then outstanding at his address, if any, appearing upon the books of registry, and (ii) publish notice thereof one (1) time in a financial journal published in the City of New York, New York, but failure to mail copies of such notice to any of the holders shall not affect the validity of the supplemental resolution effecting such amendments or supplements or the consents thereto. No action or proceeding to set aside or invalidate such supplemental resolution or any of the proceedings for its adoption shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the publication of the notice required by this paragraph.

SECTION 11. Effect of Supplemental Resolutions.

(a) BANs or Bonds delivered after the effective date of any supplemental or amendatory resolution may bear a notation as to such action by endorsement or otherwise and in a form approved by the State Board. In that case, upon demand by the holder of any BAN or Bond outstanding after such effective date and upon the presentation of the BAN or Bond for such purpose at the office of the State Treasurer, and at such additional offices, if any, as of the State Board may select and designate for the purpose, a suitable notation shall be made on such BANs or Bonds. If the State Board shall so determine, new BANs or Bonds then outstanding shall be exchanged without cost to such holder of BANs or Bonds then outstanding, upon surrender of such outstanding BANs or Bonds.

(b) Upon the adoption by the State Board of any supplemental resolution amending or supplementing the provisions of this Resolution and the delivery to the State Treasurer of an opinion of bond counsel that such supplemental resolution is in due form and has been duly adopted in accordance with the provisions hereof and applicable law and that the provision thereof are valid and binding upon the State Board, or upon such later date as may be specified in such supplemental resolution, (i) this Resolution and the BANs or Bonds shall be modified and amended in accordance with such supplemental resolution, (ii) the respective rights, limitations of

rights, obligations, duties and immunities under this Resolution of the State Board and the holders of the Notes or Bonds shall thereafter be determined, exercised and enforced under this Resolution subject in all respects to such modifications and amendments, and (iii) all of the terms and conditions of any such supplemental resolution shall be a part of the terms and conditions of the BANs or Bonds and of this Resolution for any and all purposes.

(c) No supplemental resolution changing, amending or modifying any of the rights, duties and obligations of any paying agent appointed by or pursuant to the provisions of this Resolution may be adopted by the State Board or be consented to by the holders of the BANs or Bonds without written consent of such paying agent affected thereby.

SECTION 12.      No Arbitrage.

(a) The State Board shall not take, or permit or suffer to be taken, any action which would result in the proceeds of the BANs or Bonds being invested at a yield which is higher than the yield on the BANs or Bonds for other than a "temporary period" as defined in the IRC or any other action which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date the BANs or Bonds are issued would have caused the BANs or Bonds to be "arbitrage bonds" within the meaning of the Section 148(a) of the IRC and regulations promulgated thereunder.

(b) The State Board hereby covenants to comply with the requirements of the IRC as the same apply to the BANs or the Bonds. The State Board hereby directs the State Treasurer to maintain such records regarding the investment of the proceeds of the BANs and Bonds as are necessary to determine the payments, if any, due the United States Treasurer as a rebate of arbitrage and to make such calculations, deposits and payments as are necessary to comply with Section 148(f) of the IRC.

SECTION 13.      Performance of Covenants and Agreements; Authority of the State Board.

The State Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the State Institution Bond Act, in this Resolution, in the BANs and Bonds executed and delivered hereunder and in all proceedings pertaining thereto. The State Board covenants that it is duly authorized under the Constitution and laws of this State to authorize the issuance of the BANs and Bonds authorized hereby, to adopt this Resolution, and to pledge the security pledged hereunder in the manner and to the extent herein set forth; that all action on its part for the issuance of the BANs and the Bonds and the adoption of this Resolution has been duly and

effectively taken, and that the BANs and Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the State according to the import thereof.

SECTION 14. Release of Resolution.

If all of the BANs and Bonds issued pursuant to this Resolution shall have been paid and discharged, then the obligations of the State under this Resolution, the pledge securing the BANs and Bonds made hereby, and all other rights granted hereby, shall cease and determine. BANs and Bonds shall be deemed to have been paid and discharged within the meaning of this Section under each of the following circumstances:

(a) If the State Treasurer shall hold, at the stated maturity of such BANs or Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(b) If default in the payment of the principal of such BANs or Bonds or the interest thereon shall have occurred, and thereafter tender of such payments shall have been made, and the State Treasurer shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payments; or

(c) If there shall have been deposited with the State Treasurer, in irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of redemption of the BANs or Bonds to be defeased, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the State Treasurer, as aforesaid, at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on such BANs or Bonds on the maturity thereof.

SECTION 15. Deposit of Moneys.

Any moneys which at the time shall be deposited with the State Treasurer by or on behalf of the State Board for the purpose of paying and discharging any BANs or Bonds shall be and are hereby assigned, transferred and set over to the State Treasurer in trust for the respective holders of such BANs or Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such BANs or Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the State Treasurer to apply such funds for the benefit of the State Board.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

14379



SECTION 16. Notice of Release of Resolution.

The State Board covenants and agrees that any moneys which it shall deposit with the State Treasurer shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Resolution, and whenever it shall have elected to defease any BANs or Bonds, it will irrevocably bind and obligate itself to give notice of the defeasance thereof, and will further authorize and empower the State Treasurer to cause such notice of the defeasance to be given in its name and on its behalf by mailing such notice to the registered owner of such BANs or Bonds, if any, at the address shown on the books of registry and by publishing one (1) time notice of such defeasance in a financial journal published in the City of New York, New York.

SECTION 17. Copy of Resolution to be Transmitted to Governor and State Treasurer.

A certified copy of this Resolution shall be transmitted to the Governor and the State Treasurer as a means of authorizing the issuance of the BANs and Bonds and apprising them of the action taken by this State Board as above set forth.

SECTION 18. Execution of Closing Documents and Certificates.

The Governor and the State Treasurer are fully authorized and empowered to take such further action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as they shall approve, is hereby fully authorized.

SECTION 19. No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the State Board contained in this Resolution, the BANs or the Bonds against any member of the State Board, any officer or employee, as such, in his or her individual capacity, past, present or future, of the State, either directly or through the State Board, whether by virtue of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution and the BANs or Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the State, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the State and the holders of the BANs or Bonds or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is,

by adoption of this Resolution and the execution of the BANs or Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the BANs and Bonds, expressly waived and released. The immunity of members, officers and employees of the State under the provisions contained in this Section shall survive the termination of this Resolution.

SECTION 20. Effect of Saturdays, Sundays and Legal Holidays.

Whenever this Resolution requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in this State, such action shall be taken on the first business day occurring thereafter. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday in this State, such time shall continue to run until midnight on the next succeeding business day.

SECTION 21. Partial Invalidity.

(a) If any one or more of the covenants or agreements or portions provided in this Resolution on the part of the State to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the BANs and Bonds, but the holders of the BANs and Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

(b) If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

SECTION 22. Law and Place of Enforcement of This Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of this State and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in this State.

SECTION 23.      Exemption from State Taxes.

Both the principal of and interest on the BANs or the Bonds shall be exempt from all State, county, municipal, school district and all other taxes or assessments of this State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes.

SECTION 24.      Effect of Section Headings.

The heading or titles of the several Sections hereof are solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

SECTION 25.      Repeal of Inconsistent Resolutions.

All resolutions of the State Board, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

SECTION 26.      Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

SECTION 27.      Benefits of Resolution Limited to the State and Holders of the BANs and Bonds.

With the exception of rights of benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the BANs or the Bonds is intended or should be construed to confer upon or give to any person other than the State and the holders of such BANs or Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the State and the holders from time to time of the BANs and Bonds as herein and therein provided.



EXHIBIT A

THE CITADEL  
SCHEDULE OF TUITION FEES IN EFFECT FOR PURPOSES OF  
SECTION 59-107-10 ET. SEQ. CODE OF LAWS OF  
SOUTH CAROLINA 1976, AS AMENDED

IN-STATE

\$ 125.00

OUT-OF-STATE

\$ 385.00

## EXHIBIT B

THE CITADEL  
 PRO FORMA DEBT SERVICE TABLE ON THE PROPOSED  
 ISSUE OF \$1,350,000 STATE INSTITUTION BONDS,  
 SERIES 1990. PRINCIPAL AND INTEREST,  
 PAYABLE AS INDICATED, COMPUTED AT AN ASSUMED  
 RATE OF 7.25%

FISCAL YEAR ENDING JUNE 30	PRINCIPAL JUNE 1	INTEREST JUNE 1	INTEREST DECEMBER 1	TOTAL PRINCIPAL AND INTEREST
1991	\$ 55,000	\$ 48,938	\$ 48,938	\$ 152,876
1992	55,000	46,944	46,944	148,888
1993	60,000	44,950	44,950	149,900
1994	65,000	42,775	42,775	150,550
1995	70,000	40,419	40,419	150,838
1996	75,000	37,881	37,881	150,762
1997	80,000	35,163	35,163	150,326
1998	85,000	32,263	32,263	149,526
1999	95,000	29,181	29,181	153,362
2000	100,000	25,738	25,738	151,476
2001	105,000	22,113	22,113	149,226
2002	115,000	18,306	18,306	151,612
2003	120,000	14,138	14,138	148,276
2004	130,000	9,788	9,788	149,576
2005	140,000	5,075	5,075	150,150
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,350,000	\$ 453,672	\$ 453,672	\$2,257,344

EXHIBIT

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STATE BUDGET &amp; CONTROL BOARD

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EXHIBIT C

DEBT SERVICE REQUIREMENTS, AS OF JUNE 19, 1990,  
ON ALL STATE INSTITUTION BONDS ISSUED BY THE  
STATE OF SOUTH CAROLINA FOR  
THE CITADEL

ISSUE DATED SEPTEMBER 1, 1977

<u>Fiscal Year Ending June 30</u>	<u>Principal December 1</u>	<u>Interest June 1</u>	<u>Interest December 1</u>	<u>Total Principal and Interest</u>
1991	\$ 200,000	\$ 4,500	\$ --	\$204,500
1992	<u>200,000</u>	<u>--</u>	<u>4,500</u>	<u>204,500</u>
	\$ 400,000	\$ 4,500	\$ 4,500	\$409,000

ISSUE DATED DECEMBER 1, 1978

<u>Fiscal Year Ending June 30</u>	<u>Principal December 1</u>	<u>Interest June 1</u>	<u>Interest December 1</u>	<u>Total Principal and Interest</u>
1991	\$ 75,000	\$ 9,787.50	\$11,700.00	\$ 96,487.50
1992	75,000	7,837.50	9,787.50	92,625.00
1993	75,000	5,887.50	7,837.50	88,725.00
1994	75,000	3,937.50	5,887.50	84,825.00
1995	75,000	1,968.75	3,937.50	80,906.25
1996	<u>75,000</u>	<u>--</u>	<u>1,968.75</u>	<u>76,968.75</u>
	\$450,000	\$29,418.75	\$41,118.75	\$510,537.50



EXHIBIT D

COMPOSITE PRO FORMA DEBT SERVICE TABLE AS OF JUNE 19, 1990  
ON ALL STATE INSTITUTION BONDS FOR THE CITADEL  
INCLUDING THE ISSUANCE OF \$1,350,000  
OF STATE INSTITUTION BONDS, SERIES 1990,  
AT AN ASSUMED RATE OF INTEREST OF 7.25%

<u>FISCAL YEAR ENDING JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL PRINCIPAL AND INTEREST</u>
1991	\$ 330,000	\$ 123,863.50	\$453,863.50
1992	330,000	116,013.00	446,013.00
1993	135,000	103,625.00	238,625.00
1994	140,000	95,375.00	235,375.00
1995	145,000	86,744.25	231,744.25
1996	150,000	77,730.75	227,730.75
1997	80,000	70,326.00	150,326.00
1998	85,000	64,526.00	149,526.00
1999	95,000	58,362.00	153,362.00
2000	100,000	51,476.00	151,476.00
2001	105,000	44,226.00	149,226.00
2002	115,000	36,612.00	151,612.00
2003	120,000	28,276.00	148,276.00
2004	130,000	19,576.00	149,576.00
2005	<u>140,000</u>	<u>10,150.00</u>	<u>150,150.00</u>
	\$2,200,000	\$986,881.50	\$3,186,881.50

EXHIBIT E

THE CITADEL  
PROOF SHOWING COMPLIANCE WITH CHAPTER 107,  
TITLE 59, SOUTH CAROLINA CODE OF LAWS 1976,  
AS AMENDED

Aggregate of tuition fees received by The Citadel during preceding fiscal year ended June 30, 1989.....	\$557,962.00
Multiplied by.....	90%
Produces.....	\$502,165.00
Maximum Annual Debt Service on All State Institution Bonds of the College (including the proposed issue of \$1,350,000).....	\$453,863.50
Margin.....	\$ 48,301.50

EXHIBIT F  
FORM OF BAN

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

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

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
STATE INSTITUTION BOND ANTICIPATION NOTE  
SERIES 1990  
(THE CITADEL)

Know all men by these presents that the State of South Carolina hereby acknowledges itself indebted and, for value received, promises to pay to the BEARER hereof, the principal sum of

\_\_\_\_\_

at the office of the State Treasurer of South Carolina, in the City of Columbia, State of South Carolina, on the 18th day of June, 1991, and to pay interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) on said principal sum from the date hereof, at the rate of \_\_\_\_\_ per centum (\_\_\_%) per annum, payable upon the maturity of this Note. This Note is not subject to prepayment prior to its maturity.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

This Note is one of an issue of Bond Anticipation Notes, of like date, tenor and effect, except as to number and denomination, aggregating \$1,350,000 (the "Notes"), issued by the State of South Carolina, pursuant to the authorization of Chapter 17, Title 11, Code of Laws of South Carolina 1976, as amended, in anticipation of the receipt of the proceeds to be derived from the sale of state institution bonds of the State of South Carolina to be issued pursuant to Chapter 107, Title 59, Code of Laws of South Carolina 1976, as amended. The full faith, credit and taxing power of the State of South Carolina, the tuition fees received by The Citadel, and the proceeds to be derived from the sale of the state institution bonds, in anticipation of which the Notes are issued, are pledged for the payment of the principal of and interest on this Note.

This Note and the interest hereon are exempt from all state, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect,



general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form and manner, and the amount of this Note, and the issue of which this Note is one, does not exceed any constitutional or statutory limitation.

In witness whereof, the State of South Carolina has caused this Note to be signed by the facsimile signature of the Governor of South Carolina and by the manual signature of the State Treasurer of South Carolina, the Great Seal of the State to be reproduced hereon and the same to be attested by the manual signature of the Secretary of State of South Carolina, and this Note to be dated the 19th day of June, 1990.

STATE OF SOUTH CAROLINA

\_\_\_\_\_  
Governor

(SEAL)

\_\_\_\_\_  
State Treasurer

Attest:

\_\_\_\_\_  
Secretary of State

EXHIBIT

MAY 8 1990

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STATE BUDGET & CONTROL BOARD

14389

MAY 8 1990

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STATE BUDGET AND CONTROL BOARD  
MEETING OF MAY 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 5

AGENCY: (a) State Education Assistance Authority;  
(b) State Housing Finance & Development Authority

SUBJECT: State Ceiling on Private Activity Bonds Allocation Requests

**(a) State Education Assistance Authority**

Presumably, at the meeting of the Authority just prior to this Board meeting, the Authority acted to petition the Board for an allocation of \$53,000,000 of the 1990 State Ceiling on the issuance of private activity bonds. The allocation, if granted, would be used in conjunction with a projected issue of student loan bonds during June or July of 1990 to provide permanent financing of student loans made from the proceeds of short-term lines of credit established by certain commercial banks. A copy of the Authority's petition is attached.

**(b) State Housing Finance & Development Authority**

Attached is a letter from Housing Authority Executive Director Buzzetti in which he reports that his Authority proposes to request a State Ceiling allocation of up to \$60 million in June. That \$60 million, if granted, would be added to a Ceiling carryforward balance of \$3,055,000 for use in a bond issue proposed for July of 1990. Mr. Buzzetti's letter also includes information on the status of various Authority programs.

The federal authority for the issuance of mortgage revenue bonds expires September 30 which means that these bonds must be sold prior to that date and that a Ceiling allocation is required.

**General Information on State Pool**

As was noted in the materials for the Education Assistance Authority meeting on its petition, the State Government Pool portion of the State Ceiling on private activity bonds is nominally 40% of the total State Ceiling. For calendar year 1990, the amount is \$70,240,000 (which is 40% of the \$175,600,000 Ceiling total) none of which has been allocated to date.

The State Government Pool is for State government issuing authorities including the State Education Assistance Authority (SEAA), the State Housing Finance and Development Authority (SHF&DA), and the Jobs-Economic Development Authority (JEDA). Allocations of the State Pool in recent years have been as follows:

Issuer	CY1989	CY1988	CY1987
JEDA	35,400,000	23,900,000	16,600,000
SHF&DA	27,385,000	40,000,000	75,000,000
SEAA	-0-	3,000,000	117,465,650
Total, State Pool Alloc	62,785,000	66,900,000	209,065,650
% of Total State Ceiling	36%	39%	82%
Total State Ceiling	174,650,000	171,250,000	253,350,000

AGENCY: (a) State Education Assistance Authority;  
(b) State Housing Finance & Development Authority

SUBJECT: State Ceiling on Private Activity Bonds Allocation Requests

Because both of these requests exceed \$10,000,000, the Board is reminded of the provisions of Code §1-11-540 (copy attached) which defers Ceiling allocations of more than \$10 million until after July 1 unless the Board, after review and comment by the Bond Committee, determines in any particular instance that the positive impact upon the State of approving an allocation greater than \$10 million is of such significance that approval is warranted.

In addition to the \$70,240,000 available in the State Pool, \$75,160,000 remain unallocated in the Local Pool. Obviously, the \$113 million in the two requests cannot be granted without using all of the State Pool plus shifting some \$42.7 million from the Local Pool which, under Code §1-11-520 (copy attached), can be done with Bond Committee review and comment. That would make no allowance for JEDA's needs, if any, however, and it presumes no local demand for that portion.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

SEAA petition; Buzzetti May 2 letter to McInnis plus attachments; Code Sections 1-11-520 and 1-11-540.

EXHIBIT

MAY 8 1990

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STATE BUDGET & CONTROL BOARD

14391



**§ 1-11-520. Private activity bond limits and pools.**

(A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.

(B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.

(C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

**HISTORY:** 1987 Act No. 117 § 3, eff May 26, 1987.

**Editor's Note—**

As used in §§ 1-11-500 through 1-11-570, the words "the act" refers to the Tax Reform Act of 1986, Public Law 99-514, and the words "the Code" refers to the Internal Revenue Code of 1986, 26 USCS §§ 1 et seq.

**§ 1-11-530. Authorized requests for allocation of bond limit amounts.**

(A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

**HISTORY:** 1987 Act No. 117 § 4, eff May 26, 1987.

**Editor's Note—**

As used in §§ 1-11-500 through 1-11-570, the words "the act" refers to the Tax Reform Act of 1986, Public Law 99-514, and the words "the Code" refers to the Internal Revenue Code of 1986, 26 USCS §§ 1 et seq.

**Cross References—**

As to the allocation of bond limit amounts in response to authorized requests made pursuant to this section, see § 1-11-510.

**§ 1-11-540. Limitations on allocations.**

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

**HISTORY:** 1987 Act No. 117 § 5, eff May 26, 1987.

**Editor's Note—**

As used in §§ 1-11-500 through 1-11-570, the words "the act" refers to the Tax Reform Act of 1986, Public Law 99-514, and the words "the Code" refers to the Internal Revenue Code of 1986, 26 USCS §§ 1 et seq.

**Cross References—**

As to the applicability of this section to the allocation of bond limit amounts, see § 1-11-510.

**§ 1-11-550. Certificates by issuing authority and by board.**

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

AN ACT TO AMEND SECTION 59-115-80, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING IN PART TO THE REVENUE BOND DEBT LIMITATION OF THE STATE EDUCATION ASSISTANCE AUTHORITY, SO AS TO INCREASE THE LIMIT FROM ONE HUNDRED SEVENTY-FIVE MILLION DOLLARS TO THREE HUNDRED MILLION DOLLARS.

WHEREAS, the General Assembly finds:

In 1971 it established the State Education Assistance Authority (authority) as a public instrumentality of the State of South Carolina and empowered it to provide financial assistance to residents of South Carolina through the making or guaranteeing of student loans. The authority is governed by its members who are, by statute, the members of the State Budget and Control Board. The authority acts through its contractual agent, the South Carolina Student Loan Corporation (corporation), a private nonprofit corporation.

The authority has designated the corporation to serve as a central statewide lender and to date over 136,000 loans have been made to more than 67,000 students.

The administration of this program is totally separate from the loan programs administered by colleges and universities throughout the State whose lending and collection experiences are quite dissimilar. For fiscal year 1989, the authority's default rate was \_\_\_\_\_ percent. Student loans made by the corporation from the revenue bond proceeds of the authority are one hundred percent guaranteed by the authority against the death, disability, or default of the student borrower. This guarantee does not in any way represent a pledge of the state's full faith and credit. The guarantee is limited to monies available in a reserve fund maintained by the authority funded through an insurance premium of three-fourths percent which is deducted from the loan made to each student borrower. At June 30, 1989, there was approximately \$1.6 million in the reserve fund.

The state's guarantee is further backed by a federal program of reinsurance. The amount of this reinsurance relates to the annual default rate on student loans and ranges from one hundred percent to eighty percent. Unless the state's default rate exceeds five percent in any given year, all loans are reinsured at one hundred percent. Any defaults in excess of five percent, but less than nine percent, are reinsured at ninety percent; all defaults above nine percent are reinsured at eighty percent.

Since the federal program of reinsurance began in 1978, defaults on all loans made by the corporation have always remained below five percent and thus the State has been reimbursed for one hundred percent of all default payments.

(a)



In recent years, in an effort to gain the flexibility of entering the tax exempt market at the most advantageous time, the authority has authorized the corporation to arrange for lines of credit from commercial banks. The authority now seeks to increase its statutory debt limitation to permit the continued financing of this program on the basis described above for the next several years.

NOW THEREFORE, be it enacted by the General Assembly of the State of South Carolina:

#### Authorization to issue bonds

SECTION 1. The first paragraph of Section 59-115-80 of the 1976 Code, as last amended by Act No. 116 of 1985, is further amended to read:

"Subject to the right to hereafter enlarge the authorization to issue revenue bonds, the General Assembly authorizes the authority to provide for the issuance, at one time or from time to time, of revenue bonds of the authority in an aggregate principal amount outstanding at any time of not exceeding three hundred million dollars for any of its authorized purposes, including the use of a portion of the proceeds of any issue of bonds for the establishment of a reserve for the payment of principal and interest of the bonds. The reserve may be deposited in the sinking fund. The bonds must be designated, subject to such additions or changes as the authority considers advisable, 'State Education Assistance Authority Revenue Bonds, Series \_\_\_\_\_,' inserting in the blank space a letter or numerals identifying the particular series of bonds."

#### Time effective

SECTION 2. This act shall take effect upon approval by the Governor.



**SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY**

1710 GERVAIS STREET, COLUMBIA, SOUTH CAROLINA 29201

Post Office Box 7008, Columbia, South Carolina 29202-7008

May 2, 1990

Mr. William A. McInnis  
Secretary, State Budget and  
Control Board  
612 Wade Hampton Office Building  
Columbia, South Carolina 29211

Re: Anticipated Financing - Homeownership Mortgage Purchase  
Bonds for calendar 1990.

Dear Mr. McInnis:

The Board of Commissioners of the Housing Finance and Development Authority has established Authority Homeownership financing objectives for 1990. As these objectives include a proposed request for assignment of 1990 State ceiling on private activity bonds, I believe the Budget and Control Board should be made aware of the proposed dollar amount and rationale as early as possible.

The Authority proposes to request up to 60 million dollars in 1990 ceiling allocation in June of this year. This amount and the balance of the 1989 Carryforward of \$3,055,000 are proposed for a bond issue in July, 1990. Key factors influencing our proposed request include:

1. The Authority has issued \$127,385,000 in Homeownership Bonds since May 1, 1989.
2. \$40,000,000 of this amount represents an allocation of the 1988 State private activity bond ceiling. \$24,330,000 was achieved by using carryforward allocation of the ceiling from previous years.
3. The balance of \$63,055,000 in Homeownership bonds was made possible by refunding bonds with mortgage prepayments. The attached table illustrates this in more detail.
4. In addition, the Authority has recycled available mortgage repayments directly into specific programs for targeted mortgage loans in the amount of \$27,280,179 since 1989. This program includes (a) Community Homeownership Opportunity (CHOP) Program for \$8.0 million, and (b) Hurricane Hugo Loan Program for \$10 million.

Executive  
(803) 734-8702  
FAX (803) 734-8758

Finance  
(803) 734-8878

Rental Housing Programs  
(803) 734-8835

**14396**  
Homeownership Programs  
(803) 734-8755

(b)

Mr. William A. McInnis  
Secretary, State Budget and Control Board

Page 2  
May 3, 1990

5. Currently, the 1990 Series A/B issue has \$30 million remaining of \$47 million in loan funds available at 8.40% through participating lenders. The Authority expects this money to be committed by June 1st.

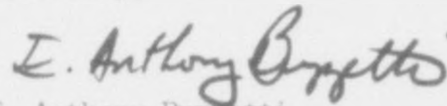
The Budget and Control Board is aware that Congressional authority for issuance of Mortgage Revenue Bonds (MRBs) expires September 30, 1990. The "sunset" affects only Mortgage Revenue Bonds among the private activity bond issuers. The South Carolina Congressional Delegation supports continuation of the MRB program.

The question of when Congress will extend the MRB program requires the Authority to act now with this request. The September 30th date requires bonds be sold prior to that date and negates our ability to request a carryforward of unused allocation at year-end as has been our policy in prior years.

The Authority has pursued every option to deliver affordable homeownership financing to the Beneficiary Class while remaining sensitive to the overall State demand for private activity bonds. Standard and Poors has increased its rating of Homeownership bonds to AA. The passage of Act 370 by the General Assembly this session allows the Authority to target funds to those unable to afford conventional mortgage rates.

I would be pleased to present the Authority position to the Honorable Members of the Budget and Control Board.

Sincerely,



E. Anthony Buzzetti  
Executive Director

EAB/fh

14397



# SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

## Analysis of Recent Homeownership Bond Issues

CATEGORY	1988B/C1	1988C2	1989A	1990B	TOTAL
BONDS ISSUED	30,000,000	30,000,000	20,000,000	47,385,000	127,385,000
NON ASSET BONDS	1,141,111	1,188,000	0	418,997	2,747,997
AUTHORITY CONTRIBUTIONS	164,000	390,000	892,000	1,818,590	3,264,590
AMOUNT FOR MORTGAGES	28,859,000	28,812,000	20,000,000	46,966,003	124,637,000
ALLOCATION CEILING USED	10,000,000	30,000,000	0	24,330,000	64,330,000
REFUNDED FROM PREPAYMENTS	20,000,000	0	20,000,000	23,055,000	63,055,000
DATE BONDS ISSUED	05/01/89	11/01/89	11/01/89	04/02/90	

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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**SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY**  
**MORTGAGE PURCHASE PROGRAMS STATUS REPORT**

*April 4, 1990*

	<i>Homeownership 1989</i>			<i>Single Family 1979</i>
	<i>Program I *</i> <i>(1988 BC1)</i>	<i>Program II **</i> <i>(1988 C2)</i>	<i>Program II</i> <i>(1989 A)</i>	<i>Hugo</i> <i>Program</i>
<i>Beginning Program Fund Balances</i>	28,859,000	28,812,000	20,000,000	10,000,000
<i>Funds Reserved for Purchase</i>	0	9,833,609	10,792,468	1,716,715
<i>Funds Committed for Purchase</i>	31,437,177	19,385,986	8,818,011	1,741,959
<i>Remaining Program Fund Balances</i>	<2,578,177>	<407,595>	389,521	6,541,326
 <i>Percentage of Remaining Fund Balances</i>	<8.9%>	<1.0%>	.01%	66%
<i>Number of Mortgages Reserved/Purchased</i>	548	464	401	69
<i>Average Purchased Mortgage Amount</i>	57,367	59,649	49,539	49,770
<i>Average Gross Household Income</i>	28,995	31,607	20,322	21,008

\* Program I - This program is closed and no new reservations for funds are being accepted.

\*\* Program II - This program is closed, however, as reservations for funds cancel, additional reservations for funds are being accepted.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

\_\_\_\_\_  
TO THE STATE BUDGET AND CONTROL )

BOARD OF SOUTH CAROLINA )

P E T I T I O N

The Petition of the South Carolina State Education Assistance Authority, (the "Authority") respectfully shows:

1. The Authority is authorized by the provisions of Title 59, Chapter 115, Code of Laws of South Carolina, 1976, as amended (the "Act"), to issue student loan revenue obligations for the purposes and on the terms and conditions provided in the Act.

2. The Authority seeks to issue during calendar year 1990 approximately \$53 million of student loan revenue bonds (the "Bonds") in order to provide permanent financing of student loans made from the proceeds of short term lines of credit established by certain commercial banks.

3. The Bonds will be "private activity bonds" within the meaning of such term in Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), which imposes a "volume cap" on private activity bonds by way of a "State Ceiling" (as such term is used in Section 146(d) of the Code) applicable to each state.

4. The Authority is an "issuing authority" as such term is used in South Carolina Code Section 1-11-500, et seq. (the "Act"), which proclaims the plan for allocating the State Ceiling on the issuance of tax-exempt private activity bonds in South Carolina, and devolves upon the State Budget and Control Board of South Carolina (the "State Board") the responsibility for making allocations of the State Ceiling.

5. This Petition constitutes the Authority's Authorized Request (as such term is used in Section 1-11-530(B) of the Act) that a specific amount of the State Ceiling be allocated to the Bonds.

6. Pursuant to Section 1-11-530(C) of the Act, the Authority certifies that the Bonds, and the amount thereof, constitute all of the private activity bond financing contemplated during calendar year 1990.

WHEREFORE, on the basis of the foregoing, the Authority respectfully prays:

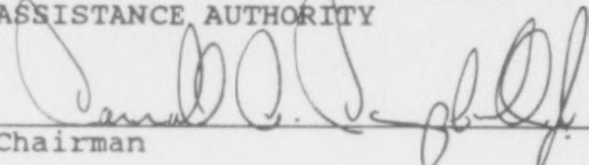


That the State Board accept the filing of this Petition as the Authorized Request by the Authority that not less than Fifty Three Million Dollars (\$53,000,000) of the State Ceiling be allocated to the Bonds and that, pursuant to Section 1-11-510 of the Act, the State Board allocate to the Bonds Fifty-Three Million Dollars (\$53,000,000) of the State Ceiling.

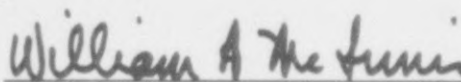
May 8, 1990

Respectfully submitted,

SOUTH CAROLINA STATE EDUCATION  
ASSISTANCE AUTHORITY

By   
Chairman

Attest:

  
Secretary

EXHIBIT

MAY 8 1990

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STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAY 8 1990

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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD  
United Methodist Manor of the Pee Dee

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, Carroll A. Campbell, Jr., Governor and  
Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the  
Senate Finance Committee; and

The Honorable Robert N. McLellan, 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 10 a.m. on Tuesday, May 8, 1990, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index 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, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 10:30 a.m. on Friday, May 4, 1990.

That all members of the Board were present at the meeting.

That, at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, 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 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.

June 13, 1990

William A. McInnis

14402

# EXHIBIT

MAY 8 1990

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## RESOLUTION

## STATE BUDGET & CONTROL BOARD

### SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

WHEREAS, heretofore Florence County Council ("Council") the governing board of Florence County, South Carolina (the "County") did, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), petition the South Carolina State Budget and Control Board (the "State Board") seeking the approval of the State Board to a proposal by Council to issue bonds in order to finance hospital facilities pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the financing of the acquisition, construction and equipping of a new one hundred twenty-three unit retirement home facility (the "Project") in Florence County, South Carolina, which facilities are to be owned by United Methodist Manor of the Pee Dee, Inc., a South Carolina not-for-profit corporation (the "Corporation"), and managed initially by Banyan Retirement Services, Inc., and Council proposes to finance the acquisition, construction and equipping of the Project by the issuance of its bonds pursuant to the Act; and

WHEREAS, in order to finance the Project, Council proposes to provide for the issuance of not exceeding \$9,200,000 Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 (the "Bonds") pursuant to the Act, which Bonds will be payable by the County from the payments to be made by the Corporation pursuant to a Loan Agreement (the "Loan Agreement") between the County and the Corporation; and

WHEREAS, the Loan Agreement also requires the Corporation to pay all costs and expenses incurred by the County in connection with the issuance of the Bonds and the financing of the Project.

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

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

(a) that the statements of facts set forth in the recitals to this Resolution are in all respects true and correct; and

(b) that Council has filed a proper petition (the "Petition") to the State Board pursuant to, and in accordance with, Section 44-7-1590 of the Act.

2. The State Board has reviewed the Petition and has made such independent investigation of the proposal contained therein as it has deemed advisable and has found and determined that the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results, and further finds that the proposed financing is economically feasible and that it is advisable that the cost of the Project include interest on the Bonds for a period not exceeding two (2) years following the estimated date of completion of construction of the Project.

3. On the basis of the Petition and the foregoing findings, the Project and the proposed undertaking of Council to finance the Project through the issuance of Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 in the principal amount of not exceeding \$9,200,000, pursuant to the Act as more fully set forth in the Petition (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same are hereby approved.

14403



4. Notice of the action taken by the State Board in giving approval to the Project and the undertaking of Council above described in paragraph 3 shall be published in THE FLORENCE MORNING NEWS, a newspaper having general circulation in Florence County.

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

6. Approval of this undertaking is granted on the condition that a copy of the Internal Revenue Service Form 8038 relating to any obligations issued pursuant to this approval be filed with the State Board's Secretary at the time such form is submitted to the Internal Revenue Service.

**NOTICE PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11,  
CODE OF LAWS OF SOUTH CAROLINA, 1976**

Notice is hereby given that, following the filing of a Petition by Florence County Council ("Council"), the governing board of Florence County, South Carolina (the "County"), to the South Carolina State Budget and Control Board (the "State Board"), approval has been given by the State Board to the proposal of Council to finance the acquisition, construction and equipping of a new one hundred twenty-three unit retirement home facility (the "Project") to be owned by United Methodist Manor of the Pee Dee, Inc., a South Carolina not-for-profit corporation (the "Corporation"), and managed initially by Banyan Retirement Services, Inc. in Florence County, South Carolina. To finance the Project, the County will issue its Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 (the "Bonds") in a principal amount not exceeding \$9,200,000 pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"). In accordance with Section 44-7-1480 of the Act, Council has found:

- (a) There is a need for the Project in the area in which the Project is to be located.
- (b) The Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement pursuant to which the proceeds of the Bonds will be made available to the Corporation, including the obligations to make the payments required thereunder, to operate, repair and maintain the Project at its own expense and to discharge such other responsibilities as may be imposed under the Loan Agreement.
- (c) Adequate provision has been made for the payment of the principal of and the interest on the Bonds and all necessary reserves therefor and for the operation, repair and maintenance of the Project have been or will be established.
- (d) The public facilities, including utilities, and public services necessary for the Project have been or will be made available.

The South Carolina Department of Health and Environmental Control ("DHEC") has approved the plans and specifications for the Project. Approval by the State Board includes approval of changes in the proposal of Council from that set forth in its Petition to the State Board which do not materially change the undertaking therein described.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge (a) the action of the State Board in approving the Project and the financing of the Project through the issuance of the Bonds, (b) the action taken by Council in applying the criteria and requirements of Section 44-7-1480 of the Act or (c) the action of DHEC in approving the plans and specifications for the Project, by action de novo instituted in the Court of Common Pleas for Florence County.

**SOUTH CAROLINA STATE BUDGET  
AND CONTROL BOARD**

By: William A. McInnis,  
Secretary

PUBLICATION DATE:

May 9, 1990

## TRANSMITTAL FORM, REVENUE BONDS

Date: May 1, 1990  
Submitted for BCB Meeting on:  
May 8, 1990

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:

Hutcheson & Warren
Name of Law Firm
Charleston, South Carolina 29401
City, State, Zip Code

171 Church Street, Suite 340  
Street Address/Box Number  
(803) 577-0660

Telephone Area Code and Number

RE:	\$9,200,000
Amount of Issue	
Florence County, South Carolina	
Issuing Authority Name	

Hospital Revenue Bonds
Type of Bonds or Notes May 30, 1990
Projected Issue Date

Project Name: United Methodist Manor of the Pee Dee

**Project Description:**

**Employment as result of project:** Approximately 35 full-time equivalents

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. X 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. X Department of Health and Environmental Control certificate IF REQUIRED
- F. X Budget and Control Board Resolution and Public Notice (original)  
[Plus 10 copies for certification and return to counsel]
- G. X Processing fee

Amount \$ 3,000

Check No. 358

14406

Payor United Methodist Manor of the Pee Dee

Bond Counsel:

Michael D. Bryan

By:

Typed Name

Signature \_\_\_\_\_

MAY 8 1990

16

STATE BUDGET &amp; CONTROL BOARD

\*Audited financial statements not available; copies of drafts of Financial Feasibility Study and Preliminary Offering Statement enclosed.



JUN 11 1990

State of South Carolina



State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 253-4160

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

June 7, 1990

EXHIBIT

Mr. William A. McInnis, Deputy Executive Director  
Office of the Executive Director  
612 Wade Hampton Office Building  
Post Office Box 12444  
Columbia, South Carolina 29211

MAY 8 1990

16

STATE BUDGET & CONTROL BOARD

RE: Hospital Revenue Bonds - Florence County - \$9,200,000 (United Methodist  
Manor of the Pee Dee, Inc. Project)

Dear Mr. McInnis:

The proposed bond issue will provide funds to finance construction of a 123-unit retirement home facility including buildings, machinery, and equipment; operating capital; approximately 14-months interest on the bond; a debt service reserve fund; and a portion of the bond issuance costs.

The Issuer's (Florence County) Petition to the State Budget and Control Board states that the cost of the Project will be approximately \$11,685,000 and if the proceeds of the bond issue are insufficient the Corporation/Borrower must complete the Project. First Union National Bank of North Carolina will serve as bond trustee. The bonds will be publicly offered by Interstate/Johnson Lane Corporation pursuant to an Offering Statement. The Petition concludes by asking the board to find "that the proposed financing is economically feasible."

1. We reviewed a draft of the Preliminary Offering Statement (POS) dated June 1, 1990, for \$8,850,000 hospital revenue bonds. The POS describes the Project as a retirement home facility consisting of 83 independent living apartment units and 40 assisted living units. The cover pages to the POS state in bold type that the bonds will be limited obligations of Florence County and "THERE ARE CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 1990 BONDS OFFERED HEREBY. SEE RISK FACTORS HEREIN." This introduction concludes by saying "...The information set forth herein has been obtained from the Issuer, the Borrower, the Manager, and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness..."

CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
JAMES M. WADDELL, JR.  
CHAIRMAN  
SENATE FINANCE COMMITTEE

14407

ROBERT N. MILELLAN  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

Security for the bondholders is listed as follows: (1) first mortgage lien in the real property, (2) first security interest in the personal property, and (3) security interest in the revenues and accounts generated by the operation of the Project. The Project is to be financed by the bonds, a \$250,000 loan from an unrelated third party, interest earnings on the bonds, and \$1,750,000 of contributed capital. Payments of principal and interest on the loan will be subordinated to payments under the Loan Agreement related to the Series 1990 bonds.

The Summary portion of the POS which immediately follows the cover pages and table of contents contains a paragraph titled Risk Factors which specifically lists 15 risks factors relating to an investment in the proposed bonds and refers any potential investor to sections in the Offering Statement under the headings BASIC RISKS OF INVESTMENT and RISK FACTORS "which should be carefully reviewed by prospective purchasers." The following risk factors are listed here and elaborated on in the Risk Factors section:

- (1) The bonds are limited obligations of Florence County and have only one significant payment source, required payments made to the trustee.
- (2) The Borrower has no significant moneys or assets other than the Project from which to make payments.
- (3) There are substantial risks associated with construction of the Project.
- (4) Management of the Borrower is not experienced in the development, marketing, or operation of retirement home facilities.
- (5) The Project must meet forecasted occupancy levels within the time projected (and at the rents projected) if it is to have sufficient revenues to meet bond payments.
- (6) Because the Borrower thinks a substantial number of prospective residents must sell their homes in order to afford to live in the Project, adverse selling conditions in the housing market could have a material adverse impact on occupancy.
- (7) The successful operation of the Project is subject to the capabilities of management of the Borrower and the Manager and future unpredictable conditions, such as competition and demand.
- (8) No guaranteed secondary market for the bonds exists.
- (9) Certain statutory provisions regarding interests and claims of others may impair the security interest of the trustee in Project revenues.
- (10) Judicial actions may impair the remedies available to the trustee and bond owners.
- (11) Additional bonds may be issued on a parity basis with the Series 1990 bonds and dilute the security for the 1990 bonds.
- (12) Liquidation of the security for the 1990 bonds may not be sufficient to retire the 1990 bonds in the case of default.
- (13) A recent court decision may allow general creditors of the Borrower to satisfy claims by attaching funds held by the trustee.
- (14) There are many risks related to any investment in real estate - backed securities.
- (15) Bond interest could become taxable.
- (16) If earnings on funds are less than assumed, there may be insufficient funds to finance the Project.

Mr. William A. McInnis, Deputy Executive Director  
 June 7, 1990  
 Page Three

The last item in the Offering Statement - Summary is the following fixed charges coverage table:

	Years Ended July 31				
	1992	1993	1994	1995	1996
Funds available for fixed charges prior to application of working capital	\$271,000	\$792,100	\$1,087,400	\$1,139,800	\$1,190,200
Fixed charges requirements on Series 1990 Bonds	787,100	787,100	877,100	880,100	877,300
Excess (deficiency) of funds to cover fixed charges prior to subordinated loan	(516,100)	5,000	210,300	259,700	312,900
Application of working capital	543,600	22,500	0	0	0
Total funds available for fixed charges prior to subordinated loan	814,600	814,600	1,087,400	1,139,800	1,190,200
Fixed charges coverage ratio prior to subordinated loan	1.03	1.03	1.26	1.32	1.39
Funds available for subordinated loan	\$ 27,500	\$ 27,500	\$ 210,300	\$ 259,700	\$ 312,900
Fixed charges requirement on subordinated loan	27,500	27,500	27,500	57,500	59,200
Fixed charges ratio after payment of subordinated payments	1.00	1.00	1.22	1.24	1.30

**14409**



Mr. William A. McInnis, Deputy Executive Director  
June 7, 1990  
Page Four

The Risk Factors section of the POS contains an Introduction followed by subsections discussing in detail the previously listed 15 risk factors and emphasizing that results projected in the Financial Feasibility Study may differ from actual results because of events and circumstances beyond the control of the Borrower and the Manager in addition to deviations resulting from failure to implement policies and procedures consistent with the assumptions used for the feasibility study. The Introduction contains the following:

An investment in the Series 1990 bonds involves a high degree of risk and is speculative in nature. The relatively high interest rate borne by the Series 1990 Bonds (as compared to prevailing interest rates on more secure tax-exempt and taxable bonds, as the case may be, such as those which constitute general obligations of fiscally sound municipalities or states) is compensation to the investor for assuming this element of risk...Each prospective investor should also carefully examine this Offering Statement and his own financial condition (including the diversification of his investment portfolio) in order to make a judgment as to whether the Series 1990 Bonds are an appropriate investment for him. The Series 1990 Bonds have not been submitted to any rating agency and would not be eligible to receive a rating under current policies of the recognized rating agencies...

The risk factors discussion contains the following warnings:

- (1) If losses are experienced in other future ventures, the Borrower may default in payments under the Loan Agreement regardless of the successful operation of the Project.
- (2) Certain of the Project's competitor's offer similar services at significantly lower costs. See the Analysis of Competitive Housing Units Rates, assumption (7) on page seven.
- (3) In view of the substantial amount of financing costs to be paid from the proceeds of the bonds, the actual value of the Project will be less than the principal amount of the bonds, at least in the initial years.
- (4) The practical use of the Project is limited to its use as a retirement home facility. The licenses for the Project may not be transferable to a proposed transferee.
- (5) Profitable operation of the Project depends in large part on completing the construction for its estimated cost.

Appendix A to the POS describes the Borrower. The United Methodist Manor of the Pee Dee, Inc., is a South Carolina not for profit corporation formed for the primary purpose of constructing and owning the Project. The Borrower, incorporated on October 7, 1983, was organized by members of a Florence United Methodist Church. However, except for the appointment of the trustees of the Borrower by the South Carolina Methodist Conference, the Borrower has no formal relationship with the local church or the South Carolina Methodist Conference and the Borrower receives no regular financial support from either.

Mr. William A. McInnis, Deputy Executive Director  
June 7, 1990  
Page Five

Appendix C to the POS contains summaries of the principal financing documents. The Loan Agreement requires annual audited financial statements plus a certificate of the Borrower to the effect that the Borrower is in compliance with the provisions of the Loan Agreement plus a certificate of the auditor reporting on the financials stating the fixed charges coverage ratio for the year. Beginning in the fiscal year ending September 30, 1993, the Loan Agreement requires that the fixed charges coverage ratio for the bonds be at least 1.10 in each year. (We noted the projected ratio (see the fixed charges coverage table on page 3) for the year ended July 31, 1993, is 1.03.)

2. We also reviewed the Financial Feasibility Study for the Project dated January 15, 1990, and prepared by Parnell Kerr Forster (Accountants), Certified Public Accountants, Atlanta, Georgia. (The Financial Feasibility Study is presented as Appendix B of the POS.) The Accountants' report on their examination of the financial forecast states, in part, as follows:

If actual rates, principal payments, construction costs and other financing requirements are different from those assumed, the amount of the Bonds issued and/or Loan and debt service requirements would need to be adjusted from those indicated in the forecast...

Our conclusions are presented below:

- o In our opinion, the underlying assumptions provide a reasonable basis for Management's forecast. However, there will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.
- o The accompanying financial forecast indicates that sufficient funds could be generated to meet the Community's operating expenses, working capital needs and other financial requirements associated with the proposed Bonds and Loan, during the forecast period. However, the achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured.

The POS and the feasibility study present the following schedule:

**ESTIMATED SOURCES AND APPLICATIONS OF FUNDS**

Estimated Sources of Funds:

Proceeds of Series 1990 Bonds	\$ 8,850,000
Proceeds of Subordinated Loan	250,000
Borrower's Cash Contribution	1,750,000
Interest Earned During Construction	<u>484,695</u>
Total Sources of Funds	<u>\$11,334,695</u>

Estimated Application of Funds:

Construction Costs	\$ 6,747,000
Furnishings and Equipment	311,750
Architectural and Engineering Fees and Development Costs	746,100
Project Contingencies (Construction)	227,514
Marketing	368,500
Working Capital	704,167
Funded Interest	924,914
Debt Service Reserve Fund	845,000
Underwriting Compensation	309,750
Other Issuance Costs	<u>150,000*</u>
Total Applications of Funds	<u>\$11,334,695</u>

\*Other costs includes pre-opening marketing, the feasibility study, printing, legal fees and expenses, initial trustee's fees, accounting fees, and other issuance costs.

A 75 acre site was donated for the development and \$1,750,000 has been contributed toward construction.

The following assumptions form an integral part of the financial forecasts for the annual periods July 31, 1992, through July 31, 1996:

- (1) Methodist Manor will be the fifth senior adult housing community located in Florence. No expansion of the existing facilities and no new competitive facilities will be built in or near the primary service area during the forecast period.
- (2) The average bond rate will be 8.96% with interest only payable the first three years. The rate on the subordinated loan will be 11.0% with interest only payable the first four years.
- (3) The majority of prospective residents for the independent living units will be at least 75 and the average age for the assisted living units will be about 80.



- (4) Based on demographic analysis, the primary service area has sufficient numbers of age/income qualified adults to absorb at least 70% of the units. Adjustments have not been made to account for overlap of age/income qualified population between independent and assisted living units. Based on the projected age/income qualified households in the primary service area, Methodist Manor must attract 3.8% and 4.4% of that population for the independent and assisted units, respectively. (The primary service area lies within a 25-mile radius of Florence.) The remaining 30% will be drawn because of the affiliation with the United Methodist Church, relationships with family and friends in the Florence area, and marketing efforts.
- (5) Minimum annual incomes must be in the \$18,000 to \$30,000 a year range for congregate living units and \$21,750 to \$23,250 a year for assisted living units unless the residents' monthly charges are subsidized by relatives or others. (A 1979 per capita income by age table included in the study shows a \$4,292 income in the primary service area for individuals over 75. A 1980 table shows owner-occupied housing in the primary service area by housing value. Of those 75 and over, 48% owned houses valued at less than \$25,000, 37% valued at \$25,000 - \$50,000, and 11% in the \$50,000 - \$75,000 range. Using these statistics and assuming a 10% interest earnings rate on the house sale proceeds, 96% of those over 75 with the 1979 average income plus invested house proceeds would not meet the annual income requirements for the cheapest unit at Methodist Manor.)
- (6) Methodist Manor will not charge an entrance/endowment fee. Two of its existing competitors charge such fees of \$30,000 to \$50,000.
- (7) Analysis of Competitive Housing Unit Rates

	Independent Living				Assisted Living	
	Efficiency	1-Bedroom	2-Bedroom	Townhouse/ Apartment	Private	Semiprivate
A	\$900-1,050	\$1,250	\$1,500	-	\$1,450	\$1,550
B	695-775	875	975	-	952(a)	893(a)
C	-	721	764	-	-	-
D	-	-	-	\$600-\$700	952(a)	893(a)
E	-	-	-	885	952(a)	893(a)

- (a) Average for the 3 competitors  
 A = Methodist Manor; B-E Competitors

- (8) As of December 12, 1989, the local organizing United Methodist Church had a 404-person list of individuals interested in Methodist Manor. This list was begun in 1986 and no attempt has been made to update the list for current interest. The prospect list is valid.

- (9) Methodist Manor will be the third such development by a member of the United Methodist Church in South Carolina (which has 240,000 members in the state) and, thus, will be supported by a state, regional, and national network. (The local organizing church has 1800 persons.)
- (10) The proposed opening will occur by August 1, 1991.
- (11) Fifteen percent of the units will be pre-leased during construction.
- (12) The independent and assisted living units will be 95% occupied by the 29th and 23rd month of operations, respectively.

The following presents excerpts from the forecasted statements of revenues and expenses for Methodist Manor:

	For the Year Ending July 31,				
	1992	1993	1994	1995	1996
Average Annual Occupancy					
Congregate Living	44%	78%	94%	95%	95%
Residential Care	49%	84%	95%	95%	95%
Year End Occupancy					
Congregate Living	63%	89%	95%	95%	95%
Residential Care	73%	95%	95%	95%	95%
Operating Revenues					
Monthly Service Fees	\$ 915,000	\$1,654,700	\$2,048,200	\$2,165,100	\$2,273,300
Restaurant and Other	16,800	29,800	43,400	53,900	56,500
Total Operating Revenues	931,800	1,684,500	2,091,600	2,219,000	2,329,800
Total Operating Expenses	735,400	970,700	1,084,400	1,159,500	1,219,900
Net Operating Revenue	196,400	713,800	1,007,200	1,059,500	1,109,900
Capital Costs					
Depreciation	308,400	308,400	308,400	308,400	308,400
Amortization	52,200	52,200	52,200	52,200	52,200
Interest on Series 1990 Bonds	787,100	787,100	787,100	780,100	772,300
Interest on Subordinated Loan	27,500	27,500	27,500	27,500	24,200
Total Capital Costs	1,175,200	1,175,200	1,175,200	1,168,200	1,157,100
Excess (Deficiency) of Revenues Over Expenses Before Nonoperating Revenues	(978,800)	(461,400)	(168,000)	(108,700)	(47,200)
Nonoperating Revenues					
Interest Earnings					
Deposits on Units	4,900	8,600	10,200	10,300	10,300
Debt Service Reserve Fund	67,600	67,600	67,600	67,600	67,600
Deposits in General Account of the Bond Fund	2,100	2,100	2,400	2,400	2,400
Total Nonoperating Revenues	74,600	78,300	80,200	80,300	80,300
Excess (Deficiency) of Revenues Over Expenses	\$ (904,200)	\$ (383,100)	\$ (87,800)	\$ (28,400)	\$ 33,100

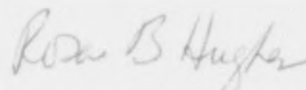
JUN 13 1990

Mr. William A. McInnis, Deputy Executive Director  
June 7, 1990  
Page Nine

Based on the information provided in the Preliminary Offering Statement and the Financial Feasibility Study and the nature of our review of those documents, we cannot express an opinion as to whether the proposed financing is economically feasible as requested in the Issuer's Petition. The Offering Statement clearly outlines the major risks associated with investment in the proposed bonds. We believe the affiliation with the United Methodist Church will have a material beneficial effect on the success of the Project.

If each potential investor adequately inspects the offering statement and the accompanying appendices, thoroughly understands and evaluates the risks as outlined therein to determine the suitability of investing in the 1990 bonds, and evaluates the Borrower's cash flow, debt service coverage, operating results, and financial position, he should be considered a "sophisticated and knowledgeable investor" for the purposes of judging this issue. Accordingly, we see no reason to disapprove the proposed bond issue based on our assumption that only "sophisticated and knowledgeable" investors who can afford to lose their entire investments in the issue will invest in said issue.

Yours truly,



Rosa B. Hughes, CPA  
Audit Manager

RBH/de

14415



MAY - 4 1990

# 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  
FACSIMILE: 803-253-6283

EXHIBIT

MAY 8 1990

16

May 3, 1990

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
612 Wade Hampton Office Building  
Post Office Box 12444  
Columbia, South Carolina 29211

RE: \$9,200,000 Florence County, South Carolina  
Hospital Revenue Bonds  
(United Methodist Manor of the Pee Dee)

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 44-7-1410, et seq., Code of Laws of South Carolina, 1976, as amended. The documents appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

This opinion addresses only the fact that the documents appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By:

A handwritten signature in dark ink, appearing to read "David R. Johnson", written over a horizontal line.

TGA:bvc

14416

JUN 26 1990

HUTCHESON & WARREN

ATTORNEYS AT LAW

SUITE 340

171 CHURCH STREET

P.O. BOX 1254

CHARLESTON, S.C. 29402

(803) 577-0660

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JOHN H. WARREN, III  
THOMAS A. HUTCHESON  
MARK S. SHARPE  
MICHAEL D. BRYAN  
ELIZABETH W. SETTLE

COLUMBIA OFFICE  
1901 MAIN STREET, SUITE 1590  
COMPARTMENT #504  
COLUMBIA, S.C. 29201-2435  
(803) 799-0660  
TELECOPIER  
(803) 799-9102

June 22, 1990

Donna K. Williams, Secretary  
South Carolina State Budget  
and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

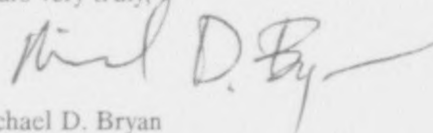
Re: \$8,850,000 Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor  
of the Pee Dee, Inc. Project) Series 1990

Dear Ms. Williams:

In accordance with Paragraph 6 of the State Budget and Control Board Resolution adopted May 8, 1990, approving the Bonds, I am enclosing a copy of the Form 8038 filed in connection with the Bonds. Also enclosed is a copy of an affidavit of publication of State Board notice of approval published in THE FLORENCE MORNING NEWS on May 15, 1990, with a copy of the published notice attached.

Please advise if you need any additional information.

Yours very truly,



Michael D. Bryan

MDB/jmn

Enclosures

Florence\300\C

14417

**Information Return for Tax-Exempt  
Private Activity Bond Issues**

(Under Section 149(e))  
▶ See separate instructions.

OMB No. 1545-0720  
Expires 5/31/92

**Part I Reporting Authority**

Check box if Amended Return ☐

1 Issuer's name Florence County, South Carolina	2 Issuer's employer identification number 57-6000351
3 Number and street Florence City - County Complex Room 802	4 Report number PA19 90 - 1
5 City or town, state, and ZIP code Florence, South Carolina 29501	6 Date of issue June 22, 1990
7 Name of issue \$8,850,000 Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990	8 CUSIP number 240122

**Part II Type of Issue (check box(es) that applies and enter the Issue Price for each)**

Issue Price

9 Exempt facility bond:	
a <input type="checkbox"/> Airport (sections 142(a)(1) and 142(c))	9a
b <input type="checkbox"/> Docks and wharves (sections 142(a)(2) and 142(c))	9b
c <input type="checkbox"/> Mass commuting facilities (sections 142(a)(3) and 142(c))	9c
d <input type="checkbox"/> Water furnishing facilities (sections 142(a)(4) and 142(e))	9d
e <input type="checkbox"/> Sewage facilities (section 142(a)(5))	9e
f <input type="checkbox"/> Solid waste disposal facilities (section 142(a)(6))	9f
g <input type="checkbox"/> Qualified residential rental projects (sections 142(a)(7) and 142(d)), as follows:	9g
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing, (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
h <input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	9h
i <input type="checkbox"/> Local district heating or cooling facilities (sections 142(a)(9) and 142(g))	9i
j <input type="checkbox"/> Qualified hazardous waste facilities (sections 142(a)(10) and 142(h))	9j
k <input type="checkbox"/> High-speed intercity rail facilities (sections 142(a)(11), 142(c), and 142(i))	9k
Check box if you elected not to claim depreciation or any tax credit (see instructions) <input type="checkbox"/>	
l <input type="checkbox"/> Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	9l
Facility type .....	
1986 Act section .....	
10 <input type="checkbox"/> Qualified mortgage bond (section 143(a))	10
Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/>	
11 <input type="checkbox"/> Qualified veterans' mortgage bond (section 143(b))	11
Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/>	
12 <input type="checkbox"/> Qualified small issue bond (section 144(a)). Check box for \$10 million small issue exemption <input type="checkbox"/>	12
13 <input type="checkbox"/> Qualified student loan bond (section 144(b))	13
14 <input type="checkbox"/> Qualified redevelopment bond (section 144(c))	14
15 <input type="checkbox"/> Qualified hospital bond (section 145(c))	15
16 <input checked="" type="checkbox"/> Qualified 501(c)(3) bond other than a qualified hospital bond (section 145)	16 8,850,000
Employer identification number (EIN) of qualifying 501(c)(3) organization 57-0762044	
17 <input type="checkbox"/> Nongovernmental output property bond (treated as private activity bond) (section 141(d))	17
18 <input type="checkbox"/> Other. Describe (see instructions) ▶ .....	18

**Part III Description of Bonds**

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	6/1/2020	9.000 %	\$ 7,070,000	\$ 7,070,000			
20 Entire issue			\$ 8,850,000	\$ 8,850,000	21.722 years	8.7109 %	8.9416 %

For Paperwork Reduction Act Notice, see page 1 of the instructions.

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Form **8038** (Rev. 5-89)



Part IV Uses of Original Proceeds of Issue (including underwriters' discount)		Amount
21	Proceeds used for accrued interest	21 45,765
22	Issue price of entire issue (enter amount from line 20, column c)	22 8,850,000
23	Proceeds used for bond issuance costs (including underwriters' discount)	23 170,000
24	Proceeds used for credit enhancement	24 0
25	Proceeds allocated to reasonably required reserve or replacement fund	25 845,000
26	Proceeds used to refund prior issues (complete Part VI)	26 0
27	Total (add lines 23, 24, 25, and 26)	27 1,015,000
28	Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28 7,835,000

Part V Description of Property Financed by Nonrefunding Proceeds (Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.)		Amount
29 Type of Property Financed by Nonrefunding Proceeds:		
a	Land	29a 0
b	Buildings and structures	29b 7,488,967
c	Equipment with recovery period of more than 5 years	29c 0
d	Equipment with recovery period of 5 years or less	29d 346,033
e	Other (describe)	29e 0
30 Standard industrial classification (SIC) of nonrefunding proceeds for the financed projects.		
a	SIC Code	Nonrefunding proceeds \$
b	8050	7,835,000
c		
d		

**Part VI Description of Refunded Bonds (complete this part only for refunding bonds)**

31	Enter the remaining weighted average maturity of the bonds to be refunded	years
32	Enter the last date on which the refunded bonds will be called	
33	Enter the date(s) the refunded bonds were issued	

**Part VII Miscellaneous**

34	Name of governmental unit(s) approving issue (see instructions)	Florence County Council, South Carolina
35	Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III)	0

Part VIII Volume Cap		Amount
36	Amount of volume cap allocated to the issuer. Attach state certification	36
37	Amount of issue subject to the unified state volume cap	37 0
38 Amount of issue not subject to the unified state volume cap or other volume limitations:		
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves or high-speed intercity rail facilities	38a
b	Under a carryforward election. Attach copy of Form 8328 to this return	38b
c	Under transitional rules of the Tax Reform Act of 1986	38c
d	Under the exception for current refunding (section 1313(a) of the Tax Reform Act of 1986)	38d
39 Amount of issue of qualified 501(c)(3) bonds:		
a	Qualified hospital bonds	39a 0
b	Qualified nonhospital bonds	39b 8,850,000
c	Outstanding tax-exempt nonhospital bonds	39c 0
40a Amount of issue of qualified veteran's mortgage bonds		
b	Enter the amount of the state veterans' limit	40b

**Part IX Arbitrage Rebate (see instructions)**

41	Method of payment	<input type="checkbox"/> Check <input type="checkbox"/> Other
42	Amount being rebated	\$
43	CUSIP number	

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.

Signature of officer

John L. "Dinky" Miles

Type or print name of above officer

Date

June 22, 1990 14419

Title (type or print) of officer

Chairman, Florence County Council

TO TITLE  
44, CHAPTER 7, ARTICLE 11,  
CODE OF LAWS OF  
SOUTH CAROLINA, 1976

Notice is hereby given that, following the filing of a Petition by Florence County Council ("Council"), the governing board of Florence County, South Carolina (the "County"), to the South Carolina State Budget and Control Board (the "State Board"), approval has been given by the State Board to the proposal of Council to finance the acquisition construction and equipping of a new one hundred twenty three unit retirement home facility (the "Project") to be owned by United Methodist Manor of the Pee Dee, Inc., a South Carolina not-for-profit corporation (the "Corporation"), and managed initially by Banyan Retirement Services, Inc. in Florence County, South Carolina. To finance the Project, the County will issue its Hospital Revenue Bonds (United Methodist Manor of The Pee Dee, Inc. Project) Series 1990 (the "Bonds") in a principal amount not exceeding \$9,200,000 pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), in accordance with Section 44-7-1480 of the Act. Council has found:

(a) There is a need for the Project in the area in which the Project is to be located.

(b) The Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement pursuant to which the proceeds of the Bonds will be made available to the Corporation, including the obligations to make the payments required thereunder, to operate, repair and maintain the Project at its own expense and to discharge such other responsibilities as may be imposed under the Loan Agreement.

(c) Adequate provision has been made for the payment of the principal of and the interest on the bonds and all necessary reserves therefor and for the operation, repair and maintenance of the Project have been or will be established.

(d) The public facilities, including utilities, and public services necessary for the Project have been or will be made available. The South Carolina Department of Health and Environment Control ("DHEC") has approved the plans and specifications for the Project. Approval by the State Board includes approval of changes in the proposal of Council from that set forth in its Petition to the State Board which do not materially change the undertaking therein described. Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge (a) the action of the State Board in approving the Project and the financing of the Project through the issuance of the Bonds, (b) the action taken by Council in applying the criteria and requirements of Section

44-7-1480 of the Act or (c) the action of DHEC in approving the plans and specifications for the Project, by action de novo instituted in the Court of Common Pleas for Florence County.

SOUTH CAROLINA  
STATE BUDGET  
AND CONTROL BOARD  
By: William A. McInnis,  
Secretary

(May 15, 1990)

# Florence Morning News

141 S. Irby St. - P. O. Box F-11  
Florence, SC 29501  
803-669-1771

## STATE OF SOUTH CAROLINA COUNTY OF FLORENCE

Personally appeared before me Susan Hill and upon being duly sworn says that she is the Accountant of the Florence Morning News, Publishers of the Florence Morning News, a daily newspaper published in the City of Florence, County of Florence, and State of South Carolina and further says that the above attached advertisement was published in May 15, 1990, \_\_\_\_\_, as shown by the files of said Company.

*Susan Hill*

Sworn to and subscribed before me this 23rd day of May, 1990.

*Jennifer M. Little*

Notary Public for South Carolina

My Commission Expires: \_\_\_\_\_ My Commission Expires June 29, 1999

14420

JUN - 1 1990

HUTCHESON & WARREN

ATTORNEYS AT LAW

SUITE 340

171 CHURCH STREET

P.O. BOX 1254

CHARLESTON, S.C. 29402

(803) 577-0660

TELECOPIER

(803) 577-6843

(803) 722-0865

JOHN H. WARREN, III  
THOMAS A. HUTCHESON  
MARK S. SHARPE  
MICHAEL D. BRYAN  
ELIZABETH W. SETTLE

COLUMBIA OFFICE  
1901 MAIN STREET, SUITE 1590  
COMPARTMENT #504  
COLUMBIA, S.C. 29201-2435  
(803) 799-0660  
TELECOPIER  
(803) 799-9102

May 29, 1990

EXHIBIT

MAY 8 1990

16

STATE BUDGET & CONTROL BOARD

Ms. Donna Williams  
South Carolina State Budget and  
Control Board  
612 Wade Hampton Building  
Columbia, South Carolina 29201

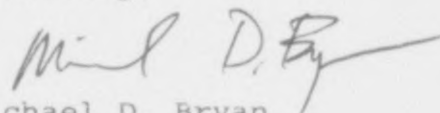
Re: Florence County, South Carolina Hospital Revenue Bonds  
(United Methodist Manor of the Pee Dee, Inc. Project)  
Series 1990

Dear Ms. Williams:

At your request I have enclosed an Affidavit of Publication in  
connection with the captioned financing.

Please feel free to call Tom Hutcheson or me if you have any  
questions regarding this financing. Thank you for your assistance.

Sincerely,



Michael D. Bryan

MDB:jmn

Enclosure

14421



14422

# EXHIBIT

MAY 8 1990

16

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

STATE BUDGET & CONTROL BOARD

TO THE SOUTH CAROLINA STATE

BUDGET AND CONTROL BOARD

## PETITION

The Petition of Florence County Council ("Council") respectfully shows:

1. Council is the governing body of Florence County, South Carolina (the "County") as established by law, and, as such, is the County Board referred to in Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act").

2. The Act authorizes and empowers Council, if it shall comply with the provisions set forth in the Act, to issue its revenue bonds and make the proceeds thereof available to hospital agencies and public agencies (as such terms are defined in the Act) for the purpose of financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing hospital facilities to serve the people of the State of South Carolina and promoting the public health and welfare of the people of the State by making accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

3. United Methodist Manor of the Pee Dee, Inc., a private, not-for-profit South Carolina corporation (the "Corporation") and a "hospital agency" within the meaning of such term in the Act, has requested that the County exercise the powers vested in it by the Act and issue not exceeding Nine Million Two Hundred Thousand Dollars (\$9,200,000) Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 (the "Bonds") for the purposes of providing funds to be loaned to the Corporation to finance a portion of the cost of a new one hundred twenty-three unit retirement home facility (the "Project") including buildings, machinery and equipment, operating capital, interest on the Bonds and a portion of the costs in connection with the issuance of the Bonds.

4. The Corporation has advised the County that the cost of the Project is approximately Eleven Million Six Hundred Eighty-Five Thousand Dollars (\$11,685,000) and that the portion of the cost of the Project to be financed from the proceeds of the Bonds is approximately Nine Million Two Hundred Thousand Dollars (\$9,200,000), and has advised the County that its proposed undertaking would be aided by the County's assistance in financing a portion of the costs of such undertaking through the issuance and sale by the County of its revenue obligations pursuant to the Act.

5. Council has agreed to endeavor to effect the issuance and delivery of bonds pursuant to the Act for the purposes of financing a portion of the costs of the Project.

6. For the reasons above set forth and hereinafter disclosed, pursuant to Section 44-7-1480 of the Act, Council has found:

(a) There is a need for the Project in the area in which the Project is to be located.

(b) The Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement (hereinafter defined), including the obligations to make the payments required

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thereunder, to operate, repair and maintain the Project at its own expense and to discharge such other responsibilities as may be imposed under such Loan Agreement.

(c) Adequate provision has been made for the payment of the principal of and the interest on the Bonds and all necessary reserves therefor and for the operation, repair and maintenance of the Project have been or will be established.

(d) The public facilities, including utilities, and public services necessary for the Project have been or will be made available.

7. Pursuant to Section 44-7-1590 of the Act, Council sets forth the following information:

(a) The Project comprises a one hundred twenty-three unit retirement home facility, including buildings, machinery and equipment, operating capital and interest on the Bonds for a period not exceeding two (2) years after the estimated date of completion of construction of the Project.

(b) The South Carolina Department of Health and Environmental Control has approved the plans and specifications for the Project pursuant to Title 44, Chapter 7, Section 300, Code of Laws of South Carolina, 1976, as amended. A copy of such approval is included with this Petition.

(c) Based on information provided to Council by the Corporation, Council estimates that the cost of the Project will be approximately Eleven Million Six Hundred Eighty-Five Thousand Dollars (\$11,685,000), including costs associated with the financing of the Project, and that the portion of such costs to be financed from the proceeds of the Bonds will be approximately Nine Million Two Hundred Thousand Dollars (\$9,200,000).

(d) (i) The County and the Corporation will enter into a Loan Agreement (the "Loan Agreement") pursuant to which the proceeds of the Bonds will be loaned to the Corporation and applied to the payment of a portion of the costs of the Project. Pursuant to the Loan Agreement the Corporation will be obligated to repay the loan of the proceeds by making payments in the amount necessary to provide the payments of principal of and interest and premium, if any, on the Bonds as the same become due. The Loan Agreement will also require the Corporation to make payments in amounts sufficient to pay all other expenses incurred by the County in connection with the Project and the Bonds, including indemnification against any losses incurred by the County in connection therewith. The Loan Agreement requires the Corporation to complete the Project in the event the proceeds of the Bonds are not sufficient for such purpose, to maintain the Project and to keep it properly insured.

(ii) The Bonds will be issued and secured pursuant to a Trust Indenture dated as of May 1, 1990 (the "Indenture") between the County and First Union National Bank of North Carolina, as trustee (the "Trustee"). Pursuant to the Indenture the County will assign certain of its interests in the Loan Agreement to the Trustee as security for the Bonds. The Indenture provides for the interest rates on and maturity dates of the Bonds and sets forth the provisions with respect to the security for the Bonds and the rights and obligations of the County, the Trustee and the bondholders with respect thereto.

(iii) The Corporation will grant to the County a mortgage and security interest on and in the Project and will assign to the County certain of its interests in certain contracts and certain rents and leases with respect to the Project. Pursuant to the Indenture and an assignment the County will assign to the Trustee certain of its interests in the documents pursuant to which such mortgage and security interest and assignments are created, as security for the Bonds.



(iv) The Bonds will be publicly offered by Interstate/Johnson Lane Corporation pursuant to an Offering Statement; a draft of the Preliminary Offering Statement is included with this Petition for the information of the State Board.

(v) A Financial Feasibility Study with respect to the Project and the financing of a portion of the costs thereof with the proceeds of the Bonds is being prepared by Pannell Kerr Forster; a draft of such Financial Feasibility Study is included with this Petition for the information of the State Board.

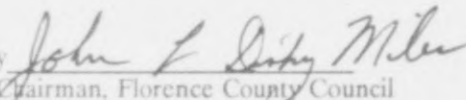
8. The Bonds will be "Qualified 501(c)(3) Bonds" under Section 145 of the Internal Revenue Code of 1986, as amended (the "Code"). Section 146(g)(2) of the Code excepts Qualified 501(c)(3) Bonds from the volume cap on private activity bonds imposed by Section 146 of the Code. Therefore no allocation of the South Carolina state ceiling is required for the Bonds.

Upon the basis of the foregoing, Council respectfully prays:

That the State Board accept the filing of this Petition; that, thereafter and as soon as practicable, it make such independent investigation of the Project and the terms and provisions of the Bonds and the agreements relating thereto, as it deems advisable; that it find that the proposed Project will promote the purposes of the Act and that it is reasonably anticipated to effect such result; that the proposed financing is economically feasible; that it find that payment of interest on the Bonds from the proceeds of the Bonds for a period of not exceeding two (2) years after the estimated date of completion of construction of the Project is advisable; that, on the basis of such findings, it does approve the Project and the issuance of the Bonds, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking; and that it give published notice of its approval in the manner set forth in the Act.

April 19, 1990

Respectfully Submitted,

By   
Chairman, Florence County Council

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF FLORENCE )

RESOLUTION #13-89/90 MAY 8 1990

16

A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN HEALTH CARE FACILITIES IN FLORENCE COUNTY, SOUTH CAROLINA, THROUGH THE ISSUANCE OF NOT EXCEEDING NINE MILLION TWO HUNDRED THOUSAND DOLLARS (\$9,200,000) FLORENCE COUNTY, SOUTH CAROLINA HOSPITAL REVENUE BONDS (UNITED METHODIST MANOR OF THE PEE DEE, INC. PROJECT) SERIES 1990; AUTHORIZING A PETITION TO THE SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR A PUBLIC HEARING TO BE HELD ON THE QUESTION OF THE ISSUANCE OF THE BONDS; PROVIDING FOR PUBLICATION OF NOTICE OF SUCH HEARING; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY FLORENCE COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

SECTION 1.01. As an incident to the adoption of this Resolution, Florence County Council ("Council"), which is the governing body of Florence County, South Carolina (the "County"), has made the following findings:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina (the "State") and is authorized and empowered by the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act")

(i) to enter into agreements with any hospital agency or public agency (as such terms are defined in the Act) necessary or incidental to the issuance of bonds;

(ii) to acquire and in connection with such acquisition, to enlarge or expand, whether by purchase, gift or lease, hospital facilities (as defined in the Act);

(iii) 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 bonds, including terms and conditions relative to the acquisition and use of hospital facilities and the issuance of bonds;

(iv) to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds as provided in the Act;

(v) to receive and accept from any public agency loans or grants for or in aid of the construction of hospital facilities or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made;

(vi) to mortgage any hospital facilities and the site thereof for the benefits of the holders of bonds issued to finance such hospital facilities;

(vii) to issue bonds to refinance or to refund outstanding obligations, mortgages or advances heretofore or hereafter issued, made or given by a hospital or public agency for the cost of hospital facilities;

1 (viii) to charge to each hospital and public agency utilizing the provisions of the Act any  
2 administrative costs and expenses incurred in the exercise of the powers and duties conferred by the Act;

3 (ix) to do all things necessary or convenient to carry out the purposes of the Act;

4 (x) to make and execute contracts and agreements necessary or incidental to the exercise of its  
5 powers and duties under the Act, with persons, firms, corporations, governmental agencies and others;

6 (xi) to make the proceeds of any bonds available by way of a loan to a hospital or public agency  
7 pursuant to a loan agreement (as defined in the Act);

8 (xii) to acquire by purchase, lease, gift or otherwise, or to obtain options for the acquisition of,  
9 existing hospital facilities and any property, real or personal, improved or unimproved, including interests  
10 in land in fee or less than fee for any hospital facilities, upon such terms and at such costs as shall be  
11 agreed upon by the owner and the county board (as defined in the Act);

12 (xiii) to arrange or contract with any county, city, town or other political subdivision or instru-  
13 mentality of the State for the opening or closing of streets or for the furnishing of utility or other  
14 services to any hospital facilities;

15 (xiv) to enter into lease agreements with any hospital or public agency whereby the county board  
16 leases hospital facilities to such hospital or public agency; and

17 (xv) to pledge or assign any money, rents, charges, fees or other revenues, including any proceeds  
18 of insurance or condemnation awards, pursuant to any loan agreement to the payment of the bonds  
19 issued pursuant to such loan agreement,

20 all as provided in the Act for the purpose of financing, refinancing, acquiring, enlarging, improving, constructing,  
21 equipping, and providing hospital facilities to serve the people of the State and promoting the public health and  
22 welfare of the people of the State by making accessible to them modern and efficient hospital facilities at the  
23 lowest possible expense to those utilizing such hospital facilities.

24 (b) United Methodist Manor of the Pee Dee, Inc., a private, not-for-profit South Carolina corporation  
25 (the "Corporation") and a "hospital agency" within the meaning of such term in the Act, has requested that the  
26 County exercise the powers vested in it by the Act and issue not exceeding Nine Million Two Hundred Thousand  
27 Dollars (\$9,200,000) Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the  
28 Pee Dee, Inc. Project) Series 1990 (the "Bonds") for the purposes of providing funds to be loaned to the  
29 Corporation to finance a portion of the cost of a new one hundred twenty-three unit retirement home facility  
30 (the "Project") including buildings, machinery and equipment, operating capital, interest on the Bonds and a  
31 portion of the costs in connection with the issuance of the Bonds. The Corporation has advised the County that  
32 the cost of the Project, will not exceed Eleven Million Six Hundred Eighty-Five Thousand Dollars (\$11,685,000)  
33 and the portion thereof to be financed from the proceeds of the Bonds will not exceed Nine Million Two  
34 Hundred Thousand Dollars (\$9,200,000).

35 (c) Council has agreed to finance the Project, and adopts this Resolution (i) to evidence its approval  
36 of the issuance of the Bonds as aforesaid, (ii) to authorize a petition to the South Carolina State Budget and  
37 Control Board (the "State Board"), setting forth the facts required by the Act and (iii) to authorize a public  
38 hearing on the question of the issuance of the Bonds and the financing of the Project and publication of notice  
39 of such hearing, both as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the  
40 "Code"), and the Treasury Regulations thereunder.

41 (d) In accordance with Section 44-7-1480 of the Act, Council has found, and hereby finds, as follows:

42 (i) There is a need for the Project in the area in which the Project is to be located.



1 (ii) The Corporation is financially responsible and capable of fulfilling its obligations under  
2 the Loan Agreement to be entered into between the County and the Corporation in connection  
3 with the Bonds, including the obligations to make the payments required thereunder, to  
4 operate, repair and maintain the Project at its own expense and to discharge such other  
5 responsibilities as may be imposed under such Loan Agreement.

6 (iii) Adequate provision has been made for the payment of the principal of and the interest  
7 on the Bonds and all necessary reserves therefor and for the operation, repair and maintenance  
8 of the Project have been or will be established.

9 (iv) The public facilities, including utilities, and public services necessary for the Project have  
10 been or will be made available.

11 ARTICLE II

12 SUBMISSION OF PETITION

13 SECTION 2.01. A Petition in form substantially as attached hereto as Exhibit "A" shall be presented  
14 to the State Board to seek the approval required by the Act; said Petition shall be executed on behalf of the  
15 County by the Chairman (the "Chairman") of Council.

16 ARTICLE III

17 PUBLIC HEARING

18 SECTION 3.01. Pursuant to Section 147(f) of the Code, a public hearing shall be held in connection  
19 with the issuance and delivery of the Bonds by the County and the financing of the Project. Such public hearing  
20 shall be held before final action by Council authorizing the issuance and delivery of the Bonds.

21 SECTION 3.02. Not less than fourteen (14) days prior to the hearing provided for in Section 3.01  
22 hereof, the Chairman shall cause notice of such hearing to be published in THE FLORENCE MORNING  
23 NEWS, a newspaper of general circulation in the County. Such notice shall be in substantially the form attached  
24 hereto as Exhibit "B".

25 ARTICLE IV

26 MISCELLANEOUS

27 SECTION 4.01. The Chairman and the County Administrator shall take any and all further action as  
28 may become necessary to effectuate the action herewith taken and herein authorized.

29 SECTION 4.02. This Resolution shall take effect immediately.

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

TO THE SOUTH CAROLINA STATE

BUDGET AND CONTROL BOARD

P E T I T I O N

The Petition of Florence County Council ("Council") respectfully shows:

1. Council is the governing body of Florence County, South Carolina (the "County") as established by law, and, as such, is the County Board referred to in Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act").

2. The Act authorizes and empowers Council, if it shall comply with the provisions set forth in the Act, to issue its revenue bonds and make the proceeds thereof available to hospital agencies and public agencies (as such terms are defined in the Act) for the purpose of financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing hospital facilities to serve the people of the State of South Carolina and promoting the public health and welfare of the people of the State by making accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

3. United Methodist Manor of the Pee Dee, Inc., a private, not-for-profit South Carolina corporation (the "Corporation") and a "hospital agency" within the meaning of such term in the Act, has requested that the County exercise the powers vested in it by the Act and issue not exceeding Nine Million Two Hundred Thousand Dollars (\$9,200,000) Florence County, South Carolina Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 (the "Bonds") for the purposes of providing funds to be loaned to the Corporation to finance a portion of the cost of a new one hundred twenty-three unit retirement home facility (the "Project") including buildings, machinery and equipment, operating capital, interest on the Bonds and a portion of the costs in connection with the issuance of the Bonds.

4. The Corporation has advised the County that the cost of the Project is approximately Eleven Million Six Hundred Eighty-Five Thousand Dollars (\$11,685,000) and that the portion of the cost of the Project to be financed from the proceeds of the Bonds is approximately Nine Million Two Hundred Thousand Dollars (\$9,200,000), and has advised the County that its proposed undertaking would be aided by the County's assistance in financing a portion of the costs of such undertaking through the issuance and sale by the County of its revenue obligations pursuant to the Act.

5. Council has agreed to endeavor to effect the issuance and delivery of bonds pursuant to the Act for the purposes of financing a portion of the costs of the Project.

6. For the reasons above set forth and hereinafter disclosed, pursuant to Section 44-7-1480 of the Act, Council has found:

(a) There is a need for the Project in the area in which the Project is to be located.

(b) The Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement (hereinafter defined), including the obligations to make the payments required

1 thereunder, to operate, repair and maintain the Project at its own expense and to discharge such other  
2 responsibilities as may be imposed under such Loan Agreement.

3 (c) Adequate provision has been made for the payment of the principal of and the interest on  
4 the Bonds and all necessary reserves therefor and for the operation, repair and maintenance of the  
5 Project have been or will be established.

6 (d) The public facilities, including utilities, and public services necessary for the Project have  
7 been or will be made available.

8 7. Pursuant to Section 44-7-1590 of the Act, Council sets forth the following information:

9 (a) The Project comprises a one hundred twenty-three unit retirement home facility, including  
10 buildings, machinery and equipment, operating capital and interest on the Bonds for a period not  
11 exceeding two (2) years after the estimated date of completion of construction of the Project.

12 (b) The South Carolina Department of Health and Environmental Control has approved the  
13 plans and specifications for the Project pursuant to Title 44, Chapter 7, Section 300, Code of Laws of  
14 South Carolina, 1976, as amended. A copy of such approval is included with this Petition.

15 (c) Based on information provided to Council by the Corporation, Council estimates that the  
16 cost of the Project will be approximately Eleven Million Six Hundred Eighty-Five Thousand Dollars  
17 (\$11,685,000), including costs associated with the financing of the Project, and that the portion of such  
18 costs to be financed from the proceeds of the Bonds will be approximately Nine Million Two Hundred  
19 Thousand Dollars (\$9,200,000).

20 (d) (i) The County and the Corporation will enter into a Loan Agreement (the "Loan  
21 Agreement") pursuant to which the proceeds of the Bonds will be loaned to the Corporation  
22 and applied to the payment of a portion of the costs of the Project. Pursuant to the Loan  
23 Agreement the Corporation will be obligated to repay the loan of the proceeds by making  
24 payments in the amount necessary to provide the payments of principal of and interest and  
25 premium, if any, on the Bonds as the same become due. The Loan Agreement will also require  
26 the Corporation to make payments in amounts sufficient to pay all other expenses incurred by  
27 the County in connection with the Project and the Bonds, including indemnification against any  
28 losses incurred by the County in connection therewith. The Loan Agreement requires the  
29 Corporation to complete the Project in the event the proceeds of the Bonds are not sufficient  
30 for such purpose, to maintain the Project and to keep it properly insured.

31 (ii) The Bonds will be issued and secured pursuant to a Trust Indenture dated as of May  
32 1, 1990 (the "Indenture") between the County and First Union National Bank of North Carolina,  
33 as trustee (the "Trustee"). Pursuant to the Indenture the County will assign certain of its  
34 interests in the Loan Agreement to the Trustee as security for the Bonds. The Indenture  
35 provides for the interest rates on and maturity dates of the Bonds and sets forth the provisions  
36 with respect to the security for the Bonds and the rights and obligations of the County, the  
37 Trustee and the bondholders with respect thereto.

38 (iii) The Corporation will grant to the County a mortgage and security interest on and in  
39 the Project and will assign to the County certain of its interests in certain contracts and certain  
40 rents and leases with respect to the Project. Pursuant to the Indenture and an assignment the  
41 County will assign to the Trustee certain of its interests in the documents pursuant to which  
42 such mortgage and security interest and assignments are created, as security for the Bonds.

43 (iv) The Bonds will be publicly offered by Interstate/Johnson Lane Corporation pursuant  
44 to an Offering Statement; a draft of the Preliminary Offering Statement is included with this  
45 Petition for the information of the State Board.



1 (v) A Financial Feasibility Study with respect to the Project and the financing of a portion  
2 of the costs thereof with the proceeds of the Bonds is being prepared by Pannell Kerr Forster;  
3 a draft of such Financial Feasibility Study is included with this Petition for the information of  
4 the State Board.

5 8. The Bonds will be "Qualified 501(c)(3) Bonds" under Section 145 of the Internal Revenue Code of  
6 1986, as amended (the "Code"). Section 146(g)(2) of the Code excepts Qualified 501(c)(3) Bonds from the  
7 volume cap on private activity bonds imposed by Section 146 of the Code. Therefore no allocation of the South  
8 Carolina state ceiling is required for the Bonds.

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

10 That the State Board accept the filing of this Petition; that, thereafter and as soon as practicable, it make  
11 such independent investigation of the Project and the terms and provisions of the Bonds and the agreements  
12 relating thereto, as it deems advisable; that it find that the proposed Project will promote the purposes of the  
13 Act and that it is reasonably anticipated to effect such result that the proposed financing is economically feasible;  
14 that, it find that payment of interest on the Bonds from the proceeds of the Bonds for a period of not exceeding  
15 two (2) years after the estimated date of completion of construction of the Project is advisable; that, on the basis  
16 of such findings, it does approve the Project and the issuance of the Bonds, including changes in any details of  
17 the said financing as finally consummated which do not materially affect the said undertaking; and that it give  
18 published notice of its approval in the manner set forth in the Act.

19 *April 19, 1990*

20 Respectfully Submitted,

21 By *J. L. Miles*  
22 Chairman, Florence County Council

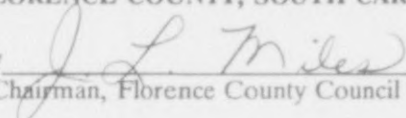
PUBLIC NOTICE

Notice is hereby given by Florence County, South Carolina (the "County") that a public hearing will be held relating to the proposed issuance and delivery by the County of not exceeding \$9,200,000 aggregate principal amount of Hospital Revenue Bonds (United Methodist Manor of the Pee Dee, Inc. Project) Series 1990 (the "Bonds") pursuant to the Hospital Revenue Bond Act of the State of South Carolina (the "Act"), which Bonds are to be issued to finance a portion of the cost of a new retirement home facility (the "Project") consisting of 83 congregate living rental units and 40 residential care rental units and related facilities, including buildings, machinery and equipment, operating capital and interest on the Bonds, to be owned by United Methodist Manor of the Pee Dee, Inc. and to be managed initially by Banyan Retirement Services, Inc. The Project will be located in Florence County, South Carolina on the east side of Peniel Road, approximately one-half mile south of Palmetto Street, near the City of Florence, South Carolina. As required by the Act, the Bonds will not impose any pecuniary liability upon the County or constitute a charge upon the County's general credit or taxing power.

The hearing will be held in Room 803, Florence City-County Complex, Florence, South Carolina, at 10:00 a.m., Eastern time, on May 17, 1990. Any person interested in the issuance of the Bonds or the location or purpose of the Project may appear and be heard. Other information and draft copies of the documents relating to the Bonds and the Project may be inspected at the office of Florence County Council, Room 803, Florence City-County Complex, Florence, South Carolina, during county business hours.

FLORENCE COUNTY, SOUTH CAROLINA

By

  
Chairman, Florence County Council

1           STATE OF SOUTH CAROLINA

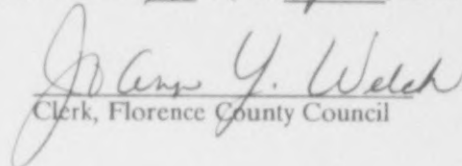
2           COUNTY OF FLORENCE

3           I, the undersigned Clerk of Florence County Council do hereby certify that the foregoing is a true,  
4           correct and verbatim copy of a Resolution duly adopted by said County Council having been read at a duly  
5           called meeting of Council on April 19, 1990.

6           Witness my Hand and Seal of Florence County, South Carolina, this 19<sup>th</sup> day of April, 1990.

7           (SEAL)

8  
9

  
Clerk, Florence County Council



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF FLORENCE )

A RESOLUTION #8-89/90

AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN FLORENCE COUNTY, SOUTH CAROLINA, AND UNITED METHODIST MANOR OF THE PEE DEE, INC. RELATING TO THE ISSUANCE AND DELIVERY BY THE COUNTY OF HOSPITAL REVENUE BONDS PURSUANT TO TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, United Methodist Manor of the Pee Dee, Inc., a South Carolina corporation (the "Borrower"), has advised Florence County, South Carolina (the "County"), that it owns certain land in Florence County, South Carolina, and that it proposes to acquire and install and construct thereon certain buildings, facilities, machinery, equipment and furnishings necessary for the purpose of operating a retirement home facility (the "Project"); and

WHEREAS, the Borrower has requested that the County, acting by and through its County Council (the "County Council"), exercise the powers vested in it by the Hospital Revenue Bond Act, Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), and issue its Hospital Revenue Bonds (the "Bonds") for the purpose of providing funds to be loaned to the Borrower to pay the cost of acquisition, construction and equipping of the Project and certain costs incurred in connection with the authorization and issuance of the Bonds; and

WHEREAS, the Borrower has advised the County that the cost of the Project to be financed from Bond proceeds, including certain costs expected to be incurred in connection with the authorization and issuance of the Bonds, will not exceed Nine Million Dollars (\$9,000,000); and

WHEREAS, after due consideration, County Council has determined to grant such assistance and to that end has agreed to enter into an agreement with the Borrower making provision for the issuance and delivery of the Bonds pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED by County Council of Florence County, South Carolina, in meeting duly assembled:

1. That subject to the approval of the South Carolina State Budget and Control Board and the South Carolina Department of Health and Environmental Control, the County shall issue the Bonds in an amount not exceeding Nine Million Dollars (\$9,000,000) to finance the cost of the proposed undertaking of the Borrower.

2. That an agreement to implement the action to be taken pursuant to paragraph 1 above in substantially the

**EXHIBIT**

MAY 8 1990

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14434

STATE BUDGET & CONTROL BOARD

form presented to this meeting and attached hereto as Exhibit "A" (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 Chairman of County Council (the "Chairman") and the same shall be attested by the Clerk of County Council (the "Clerk").

3. That the provisions, terms and conditions of a loan agreement by and between the County and the Borrower, the provisions, terms and conditions of a trust indenture by and between the County and the Trustee, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

4. The Chairman and the Clerk shall take any and all further action as may become necessary to effectuate the action herewith taken and the agreement herein authorized.

5. This Resolution shall take effect immediately.

ASSISTANCE AGREEMENT

THIS ASSISTANCE AGREEMENT (this "Agreement") made and entered into between Florence County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), and United Methodist Manor of the Pee Dee, Inc. (the "Borrower"), a corporation 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 Agreement, the following statements of fact are herewith recited:

1. The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), (a) to issue bonds for the purpose of defraying the cost of providing hospital facilities (as defined in the Act); (b) to make the proceeds of any bonds available by way of a loan to a hospital agency (as defined in the Act) pursuant to a loan agreement; (c) to enter into a loan agreement with such hospital agency prescribing the payments to be made by the hospital agency to the County, or its assignee, to meet the payments that shall become due on bonds; and (d) to enter into agreements with any hospital agency necessary or incidental to the issuance of the bonds.

2. The Borrower owns land in Florence County, South Carolina, and proposes to acquire and install and construct thereon certain buildings, facilities, machinery, equipment and furnishings necessary for the purpose of operating a retirement home facility (the "Project").

3. The Borrower estimates that the cost of the Project to be financed from bond proceeds, including certain costs expected to be incurred in connection with the financing is not in excess of Nine Million Dollars (\$9,000,000), and has advised the County that its proposed undertaking would be aided by the County's assistance in



financing a portion of the costs of such undertaking through the issuance and sale by the County of its bonds pursuant to the Act.

4. The County has given due consideration to all of the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance and delivery of Hospital Revenue Bonds pursuant to the Act at the time and on the terms and conditions hereinafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

#### Section 2.01

That it will authorize the issuance of not exceeding Nine Million Dollars (\$9,000,000) Florence County, South Carolina, Hospital Revenue Bonds (the "Bonds") at such time, or from time to time, as the Borrower may request the County to do so.

#### Section 2.02

That it will enter into a loan agreement (as defined in the Act) with the Borrower upon such terms and conditions as shall be mutually agreed upon between the County and the Borrower pursuant to which the proceeds of the Bonds will be made available to the Borrower to be applied to the costs of the Project and the expenses incident thereto including certain costs of the financing.

#### Section 2.03

That it will permit the Borrower to arrange for the sale of the Bonds, and, if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the making of the loan agreement and the issuance and delivery of the Bonds.

#### Section 2.04

That if the Bonds shall be sold, the loan agreement will provide that the proceeds thereof shall be applied to the payment of certain costs theretofore and thereafter to be incurred in connection with the issuance and delivery of the Bonds and the cost of the Project, including the repayment of any funds advanced or loans incurred by the Borrower or any related entity for such purposes.

Section 2.05

That if requested by the Borrower prior to the issuance and delivery of the Bonds, it will enter into such trust indenture (as defined in the Act) as shall be requested by the Borrower pursuant to which the Bonds will be issued and/or secured. The trust indenture will be in such form and will contain such provisions as shall be satisfactory to the County and the Borrower.

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 BORROWER

The Borrower agrees as follows:

Section 3.01

That the County will have no obligation to find a purchaser of the Bonds, and the Borrower will endeavor to market the Bonds or cause the Bonds to be marketed on behalf of the County to the extent required to finance certain costs of issuing and delivering the Bonds and the cost of the Project.

Section 3.02

If the plan proceeds as contemplated, the Borrower further agrees as follows:

(a) to enter into the loan 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 Bonds, as and when the same become due and payable, the loan agreement to be in such form and to contain such provisions as shall be satisfactory to the County and to the Borrower;

(b) to obligate itself to make any 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 Agreement 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 to 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 Agreement 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 Borrower may proceed with the Project prior to the issuance and delivery of the Bonds.

###### Section 4.03

All commitments of the County and the Borrower hereunder are subject to the condition that the County and the Borrower do agree on mutually acceptable terms and conditions of all documents the execution and delivery of which are contemplated by the provisions hereof.



IN WITNESS WHEREOF, the parties hereto, each after  
due authorization, have executed this Agreement as of the  
18th day of January, 1990.

FLORENCE COUNTY, SOUTH  
CAROLINA

BY John L. Dinky Miles  
JOHN L. DINKY MILES  
CHAIRMAN  
FLORENCE COUNTY COUNCIL

ATTEST:

BY B.L. Elliott  
B.L. ELLIOTT  
COUNTY ADMINISTRATOR OF  
FLORENCE COUNTY

UNITED METHODIST MANOR OF  
THE PEE DEE, INC.

BY Hugh S. May Jr  
ITS Chairman of Board  
of Trustees

IN WITNESS WHEREOF, the parties hereto, each after  
due authorization, have executed this Agreement as of the  
18th day of January, 1990.

FLORENCE COUNTY, SOUTH  
CAROLINA

BY John L. Dinky Miles  
JOHN L. DINKY MILES  
CHAIRMAN  
FLORENCE COUNTY COUNCIL

ATTEST:

BY E.L. Elliott  
E.L. ELLIOTT  
COUNTY ADMINISTRATOR OF  
FLORENCE COUNTY

UNITED METHODIST MANOR OF  
THE PEE DEE, INC.

BY Hyb S. Miles  
ITS Chairman of Board  
of Trustees

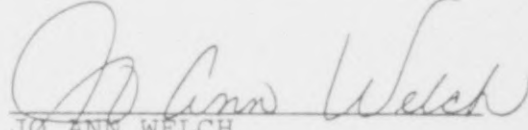
STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF FLORENCE )

I, the undersigned, Clerk of the County Council of Florence County, South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a resolution adopted by said County Council at a duly called and regularly held meeting on January 18, 1990, 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.

That the original of said resolution is duly entered in the permanent records of minutes of meetings of County Council in my custody as Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand this 18th day of January, 1990.

  
JO ANN WELCH  
CLERK  
FLORENCE COUNTY COUNCIL

jw

14442





April 26, 1990

EXHIBIT

MAY 8 1990

16

STATE BUDGET & CONTROL BOARD

Mr. J. Eugene Matthews, AIA  
James, Durant, Matthews and Shelley  
128 E. Liberty St.  
Sumter, SC 29150

Re: United Methodist Home of the Pee Dee  
Community Residential Care and Unassisted Living

Dear Gene:

It was a pleasure to meet with you on April 24, 1990, to review the Final drawings for the above referenced facility. Based on the applicable codes and standards the drawings are approved for construction.

One formality left is the review of the Kitchen Drawings by our Food Service people which should be accomplished on Monday. If there is any problem, we will so indicate. I am sending this letter before that review so that you can begin construction with the understanding that any changes needed will be accomplished.

A couple of item warrant your attention.

1. It is suggested that emergency lighting be provided in public restrooms near the main lobby.
2. You have a two hour separation between the assisted living and the unassisted living area, however the separation only goes to the ceiling. If in the future the assisted living area were to be converted to a skilled nursing facility this two hour separation would have to extend through the attic space. A separation of two hour is not now required in present use and I offer this comment as a suggestion.
3. Please ensure that the sprinkler contractor understands that the inspector's test valves for each zone be remotely located.
4. If a nurse call is to be provided, the station in the bathroom should be placed where it is reachable both from the commode and the bath tub/shower.

Commissioner: Michael D. Jarrett Board: Henry S. Jordan MD, Chairman John B. Pate, MD, Vice Chairman William E. Applegate, III, Secretary  
Toney Graham, Jr., MD John H. Burriss Richard E. Jabbour, DDS Currie B. Spivey, Jr.

2600 Bull Street Columbia, South Carolina 29201

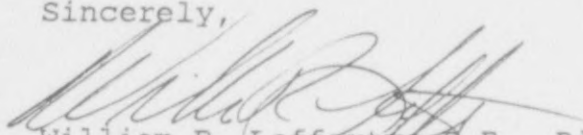
14443

This examination of the submitted documents does not relieve the owner, architect/engineer, and contractor, or their representatives from individual or collective responsibility to comply with the applicable codes and regulations. This review is not to be construed as a check of every item in the submitted documents and does not prevent authorities from hereafter requiring corrections of errors in plans or construction.

This letter is not to be construed as a building permit, certificate of occupancy, or substitute for any permit or certificate required by any state agency or local governmental entity.

If you have any other questions, please call me at 734-4842.

Sincerely,



William R. Lafferty, P.E., Director  
Division of Health Facilities Construction

WRL:yam<Matthews>

**14444**

STATE OF SOUTH CAROLINA  
**State Budget and Control Board**  
OFFICE OF THE EXECUTIVE DIRECTOR



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

P.O. BOX 12444  
COLUMBIA, SOUTH CAROLINA 29211  
(803) 734-2320

June 13, 1990

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

EXHIBIT

MAY 8 1990

16

STATE BUDGET & CONTROL BOARD

Mr. Michael D. Bryan  
Hutcheson & Warren  
171 Church Street, Suite 340  
Charleston, SC 29401

Dear Mr. Bryan:

Re: \$9,200,000 Florence County Hospital Revenue Bonds  
(United Methodist Manor of the Pee Dee, Inc., Project)

Certified copies of the State Budget and Control Board resolution approving the Florence County proposal to issue the referenced bonds are enclosed. The Board approved the proposal conditionally on May 8, 1990.

In this regard, your particular attention is called to the June 7, 1990, letter to me from Audit Manager Rosa B. Hughes, CPA, of the State Auditor's Office, a copy of which also is enclosed. The following paragraph concludes Ms. Hughes' letter:

If each potential investor adequately inspects the offering statement and the accompanying appendices, thoroughly understands and evaluates the risks as outlined therein to determine the suitability of investing in the 1990 bonds, and evaluates the Borrower's cash flow, debt service coverage, operating results, and financial position, he should be considered a "sophisticated and knowledgeable investor" for the purposes of judging this issue. Accordingly, we see no reason to disapprove the proposed bond issue based on our assumption that only "sophisticated and knowledgeable" investors who can afford to lose their entire investments in the issue will invest in said issue.

Sincerely,

*William A. McInnis*  
William A. McInnis  
Secretary

M  
Enclosures as referenced

14445



## TRANSMITTAL FORM, REVENUE BONDS

Date: May 2, 1990  
Submitted for BCB Meeting on:  
May 8, 1990

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
Columbia, SC 29211
City, State, Zip Code

1301 Gervais St., P. O. Box 11390
Street Address/Box Number
(803) 799-9800
Telephone Area Code and Number

RE: \$3,500,000  
Amount of Issue  
Aiken County, South Carolina  
Issuing Authority Name

Hospital Facilities Revenue Refunding Bonds
Type of Bonds or Notes
June, 1990
Projected Issue Date

Project Name: Mattie C. Hall Health Care Center

Project Description:

Issuance of Hospital Facilities Revenue Refunding Bonds to refund outstanding Hospital Facilities Revenue Bond, 1988. Mattie C. Hall Health Care Center is a 176-bed skilled and intermediate care nursing home owned by Aiken County.

CEILING ALLOCATION REQUIRED

       Yes (\$                 )     X No

Amount

REFUNDING INVOLVED  
X Yes (\$3,500,000) No  
Amount

PROJECT APPROVED PREVIOUSLY  
X Yes ( 11-25-87 )      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.        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. N/A 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. Processing fee

Amount \$ \_\_\_\_\_ Check No. \_\_\_\_\_  
Payer \_\_\_\_\_

Bond Counsel: Daniel R. McLeod, Jr.

Typed Name

By:

Daniel R. M. Lenz, Jr.

Signature \_\_\_\_\_

MAY 6 1990

15

STATE BUDGET &amp; CONTROL BOARD

OED 1/86

14446

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

Mattie C. Hall Health Care Center

I, DONNA K. WILLIAMS, 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, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, 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 10:00 a.m. on Tuesday, May 8, 1990 was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index 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, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 10:30 a.m. on \*Friday, May 4, 1990.

That all members of the Board were present at the meeting.

That, at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, 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

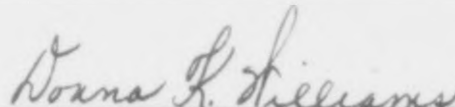
5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution 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.

June 26, 1990

  
Donna K. Williams

14447

BUDGET AND CONTROL BOARD RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY AIKEN COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$3,500,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE REFUNDING BONDS (MATTIE C. HALL HEALTH CARE CENTER PROJECT) SERIES 1990, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED.

WHEREAS, the County Council of Aiken County, South Carolina (the "County Council"), 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 Aiken County, South Carolina (the "County"), pursuant to the Act of its Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, in the aggregate principal amount of not exceeding \$3,500,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of refunding a \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Center), 1988, dated February 26, 1988 ("1988 Bond") held by NCNB National Bank of South Carolina (formerly NCNB South Carolina) and to pay costs incurred in connection therein; and

WHEREAS, pursuant to a Trust Indenture and Mortgage establishing the general terms and details of the Bonds (the "Indenture"), the County is obligated to make payments in amounts sufficient to pay the principal and interest on the Bonds; and

WHEREAS, the Bonds will be payable from revenues derived by the County from the Mattie C. Hall Health Care Center (the "Facility") and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Facility and all Gross Receipts (as defined in the Indenture) derived by the County from the Facility, and all moneys and securities in funds created under the Indenture.

WHEREAS, the County has submitted an executed copy of a resolution adopted by the County on May 1, 1990, authorizing the submission of the Petition;

NOW THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina (the "Board"), 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 Council 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 Section 44-7-1590 of the Act; and

(c) The refunding of the 1988 Bond as described in the Petition of the County Council is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

(d) The amount of the Bonds does not exceed an amount sufficient to refund the principal of the 1988 Bond, together with any interest then or thereafter to become due (prior to the date when the 1988 Bond shall be paid) and any premium, expenses and commissions necessary to be paid in connection therewith.

Section 2. In consequence of the foregoing, the proposal of the County to refund the 1988 Bond and to pay costs incurred in connection therewith by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Facility and all Gross Receipts derived by the County from the Facility, and all monies and securities in funds created under the Indenture, 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 do not make inaccurate, except as to dates and amounts, the summaries of the Indenture.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Aiken Standard, which is a newspaper having general circulation in Aiken 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.

NOTICE PURSUANT TO THE PROVISIONS  
OF SOUTH CAROLINA CODE ANNOTATED,  
TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Aiken County, South Carolina, has given its approval to the following undertaking by Aiken County, South Carolina:

The issuance by Aiken County of its Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, in the original principal amount of not exceeding \$3,500,000 (the "Bonds"), to refund a \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Project) (the "Bond of 1988"), dated February 26, 1988 held by NCNB National Bank of South Carolina (formerly NCNB South Carolina). The County unconditionally covenants to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of revenues derived by the County from the Mattie C. Hall Health Care Center (the "Facility"). Because additional facilities or equipment are not being constructed or acquired, the South Carolina Department of Health and Environmental Control is not required to issue Certificates of Need with respect to the Hospital Facilities.

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's approval as described above and the issuance of the Bonds by Aiken County to finance the same by action de novo instituted in the Circuit Court for Aiken County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: WILLIAM A. MCINNIS,  
Secretary

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  
FACSIMILE: 803 253 6283

*Recd*  
*6/15/90*  
**EXHIBIT**

MAY 8 1990

17

STATE BUDGET & CONTROL BOARD

June 15, 1990

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
612 Wade Hampton Office Building  
Post Office Box 12444  
Columbia, South Carolina 29211

RE: \$3,500,000 Aiken County, South Carolina  
Hospital Facilities Revenue Refunding Bonds  
(Mattie C. Hall Health Care Center)

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board and additional documentation forwarded by bond counsel. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 44-7-1410, et seq., Code of Laws of South Carolina, 1976, as amended. The documents appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

This opinion addresses only the fact that the documents appear to meet the conditions imposed by State law that certain matters be addressed in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

BY:

TGA:bvc

14451



JUN 26 1990

State of South Carolina



State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 253-4160

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

June 21, 1990

Mrs. Donna K. Williams, Secretary  
State Budget and Control Board  
Office of the Executive Director  
612 Wade Hampton Office Building  
Post Office Box 12444  
Columbia, South Carolina 29211

RE: Hospital Facilities Revenue Refunding Bonds - Aiken County - \$3,500,000  
(Mattie C. Hall Health Care Center)

Dear Mrs. Williams:

The proposed bond issue is to provide funds to refund the 1988 Hospital Facilities Revenue Bond which is presently outstanding in the principal amount of \$3,281,878.

The Petition and other documents submitted to the Board contain the following information:

1. Aiken County owns the 176-bed skilled and intermediate care nursing home facility which is managed by National Health Corporation.
2. "The 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."

We reviewed audited financial statements of the Mattie Chafee Hall Health Care Center for the four years ended September 30, 1989. The statements were examined and audited by Wade & Company, Aiken, South Carolina. Each of the fiscal years received an unqualified opinion from the independent auditors.

14452

CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
JAMES M. WADDELL, JR.  
CHAIRMAN  
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

Mrs. Donna K. Williams  
June 21, 1990  
Page Two

Over the four years, gross patient service revenues have increased by 57.5% and operating expenses by 63.0%. A portion of these increases is attributable to the opening of a 44-bed addition early in fiscal year 1989. For the four years, the Center experienced the following operating results:

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
Net Income (Loss)	\$36,040	\$(56,842)	\$(53,645)	\$78,881

In phone conversations, Daniel R. McLeod, Jr., Esq., of the McNair Law Firm, bond counsel, informed me of the following:

1. The refunding is being undertaken to obtain a fixed interest rate on the bonds, rather than the floating rate plus quarterly interest additional charge on the existing bonds. The anticipated rate on the proposed issue is 8.4%.

2. The management fee will be subordinated to the debt payments on the new issue.

3. The new issue will also have various reserve fund requirements.

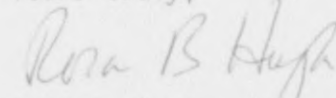
4. The proposed bonds will neither be insured nor guaranteed.

5. The average occupancy rate for fiscal year 1990 through March 31, 1990, is 98.36%. For the past five years, the Center has had the following occupancy rates:

<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
90.44%	95.9%	96.0%	98.9%	98.7%

Although the County expressly limits its obligations for the proposed bonds, we believe that operating results and timely debt service coverage will benefit from the fact that the facility is county-owned. In addition, based on occupancy rates and the facilities financial position and reasonable probability of profitable operating results, we see no reason to disapprove the proposed bond refunding issue.

Yours truly,



Rosa B. Hughes, CPA  
Audit Manager

RBH/ja

**14453**

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

NCNB TOWER

1301 GERVAIS STREET

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

TELEPHONE (803) 799-9800

FAX (803) 799-9804

May 2, 1990

EXHIBIT

MAY 8 1990

17

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
South Carolina Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, South Carolina 29201

DELIVERED BY HAND

RE: Aiken County, South Carolina, Hospital Facilities Revenue  
Refunding Bonds (Mattie C. Hall Health Care Project),  
Series 1990  
File No.: 1977/27143

Dear Bill:

Enclosed are the following documents in regard to the above-referenced matter:

1. Transmittal form.
2. Copy of Petition. The original Petition was executed by the officials of the Aiken County Council on Tuesday. Executed copies will be forwarded to you by Friday.
3. Copy of the County Council Resolution adopted on May 1, 1990. An executed Resolution will be forwarded to you by Friday.
4. Audited Financial Statements of the Mattie C. Hall Health Care Center for the fiscal years ended September 30, 1987, 1988 and 1989.
5. The original and four (4) copies of the Budget and Control Board Resolution with the accompanying notice.

14454



Mr. McInnis  
May 2, 1990  
Page 2

I request that this matter be placed on the Board's agenda for its meeting on Tuesday, May 8, 1990.

If you should have any questions, please contact me. With kind regards, I am,

Yours very truly,

McNAIR LAW FIRM, P. A.

*Dan McLeod*

By: Daniel R. McLeod, Jr.

DRMjr/kcu

Enclosures

CC: (W/Enc. - Budget & Control Board Resolution)  
W. Scott Barnes  
Sterling Cheatham  
Robert M. Bell, Esq.  
John D. Swift  
Howard I. Braun  
Teresa L. Davis  
Richard L. C. Sullivan, Esq.

14455

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF AIKEN )

**EXHIBIT**

MAY 8 1990

**17**

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND CONTROL )  
 )  
BOARD OF SOUTH CAROLINA )

PETITION

This Petition of Aiken County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 44, Chapter 7 (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Aiken County is the governing body of Aiken County, and as such constitutes a "county board" and the "public agency" as referred to in the Act with respect to "hospital facilities" as defined in the Act located in Aiken County (the "County").

2. The Act empowers the County, functioning through its County Council (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 required by Section 44-7-1590 of the Act, to issue bonds to refinance or to refund any indebtedness of any "public agency" (defined in the Act to include a county) heretofore incurred for the purpose of providing hospital facilities. The Act further provides that if the County is also the public agency and the hospital facilities are under the jurisdiction of the County Council, the loan agreement contemplated by the Act may be in the form of a resolution adopted by the County Council.

3. The County presently owns a skilled nursing home facility known as Mattie C. Hall Health Care Center (the "Facility") which is managed by National HealthCorp. under a management agreement.

4. The County proposes to issue not exceeding \$3,500,000 hospital facilities revenue refunding bonds for the purpose permitted by the Act.

5. The County has heretofore issued its \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Center Project) 1988 (the "1988 Bond") which is presently outstanding in the principal amount of \$3,281,877.52.

6. The estimated cost of refunding the 1988 Bonds will be \$3,500,000 and the County proposes to execute and deliver its

**14456**

Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990 (the "Bonds"), in the principal amount of not exceeding \$3,500,000 to defray such costs.

7. In accordance with Section 44-7-1480, the County Council has found and determined that:

(a) There is a need for the Facility in the area in which the Facility is located to serve the people of the County and to make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing the Facility;

(b) The Facility constitutes "hospital facilities" as defined in the Act;

(c) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds, including the obligations to make payments required thereunder, to operate, repair and maintain at its own expense the Facility and to discharge such other responsibilities as may be imposed under such documents;

(d) 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 Facility at the expense of the County;

(e) The public facilities, including utilities, and public services necessary for the Facility will be made available to the general public;

(f) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act; and

(g) The 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.

8. Pursuant to Section 44-7-1590 of the Act, the County sets forth the following information:

(a) The Facility of the County consists of a 176-bed skilled and intermediate care nursing home.



(b) The County will issue its not exceeding \$3,500,000 Hospital Facilities Revenue Refunding Bonds, Series 1990, to refund the 1988 Bonds.

(c) Because additional facilities or equipment are not being constructed or acquired, the Department of Health and Environmental Control ("DHEC") is not required to issue Certificates of Need with respect to the Facility. The Facility is duly licensed by DHEC.

(d) The cost of refunding the 1988 Bonds is not exceeding \$3,500,000 including financing costs and all other expenses to be incurred in connection therewith.

(e) The proposed Trust Indenture and Mortgage (the "Indenture") between the County and NCNB National Bank of South Carolina as trustee (the "Trustee"), provides as follows:

(i) The Indenture provides for the issuance of not exceeding \$3,500,000 Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, of Aiken County, South Carolina, for the purpose of refunding the 1988 Bonds, financing costs and all other expenses to be incurred in connection therewith.

(ii) The Indenture 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 general credit or taxing powers.

(iii) The Indenture contains covenants obligating the County to make payments which shall be sufficient to pay the principal of and interest on the Bonds issued; to build up and maintain any reserves deemed by the County Council to be advisable in connection therewith; and to pay the costs of maintaining the Facility in good repair and the cost of keeping such Facility properly insured.

(iv) The Indenture contains provisions whereby the County pledges and assigns and agrees to pay to the Trustee for the benefit of the Bondholder certain revenues of the Facility.

(v) The Indenture contains provisions authorizing an irrevocable pledge and assignment for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Facility and all

Gross Receipts derived the County from the Facility, and all the moneys and securities in funds created under the Indenture.

(vi) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the Bonds.

(viii) 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.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (1) accept the filing of this Petition and the documents submitted herewith, (2) make such investigation as it deems advisable, (3) if it finds that the refunding is intended to promote the purposes of the Act, that it approve the refunding and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the refunding (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (4) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

AIKEN COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Chairman, County Council of  
Aiken County, South Carolina

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk, County Council of  
Aiken County, South Carolina

Dated: May 1, 1990

# EXHIBIT

MAY 8 1990

17

RESOLUTION NO. \_\_\_\_\_

STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY AIKEN COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL FACILITIES REVENUE REFUNDING BONDS (MATTIE C. HALL HEALTH CARE CENTER PROJECT) SERIES 1990, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7 (1976), AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,500,000.

WHEREAS, Aiken 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, as amended (the "Act"), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing and equipping 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 refinancing or refunding outstanding obligations made or given by a public agency for the cost of hospital facilities; and

WHEREAS, the County is a "public agency" as such term is defined in the Act; and

WHEREAS, Mattie C. Hall Health Care Center (the "Facility") is a skilled nursing home facility located in the County; and

WHEREAS, the Facility is duly licensed by the Department of Health and Environmental Control ("DHEC") as a 176-bed skilled and intermediate care nursing home; and

WHEREAS, the County has heretofore issued its \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Center Project), 1988, (the "1988 Bond"); and

WHEREAS, the County proposes to issue its Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, in the principal amount of not exceeding \$3,500,000 (the "Bonds") under and pursuant to the Act to refund the 1988 Bond and to pay costs of issuance therefor; 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

14460



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 Aiken County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The County Council constitutes the "county board", the Facility constitutes "hospital facilities" and the County constitutes a "public agency" as such terms are defined in the Act. Because the County is a public agency and the Facility is under the jurisdiction of the County Council, the Loan Agreement (as defined in the Act) may be and hereby is in the form of this Resolution adopted by the County Council.

(b) The Facility consists of a 176-bed skilled and intermediate care nursing home. The County proposes to issue not exceeding \$3,500,000 of hospital facilities revenue refunding bonds to refund the 1988 Bonds.

(c) There is a need for the Facility in the County to serve the people of the County and to provide adequate, modern and efficient skilled and intermediate care nursing home facilities at the lowest possible expense to those utilizing such Facility.

(d) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Facility and to discharge such other responsibilities as may be imposed under the documents relating to the Bonds.

(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 Facility at the expense of the County.

(f) The public facilities, including utilities, and public services necessary for the Facility will be made available to the general public.

(g) The Facility, the 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.

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 proposal of the County to issue the Bonds 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 be and is 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 affix the seal of the County to said Petition and 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.

Adopted this 1st day of May, 1990.

AIKEN COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Chairman, County Council of  
Aiken County, South Carolina

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk, County Council of  
Aiken County, South Carolina

MAY - 3 1990  
4:23 p.m.

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

NCNB TOWER

1301 GERVAIS STREET

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

TELEPHONE (803) 799-9800

FAX (803) 799-9804

May 3, 1990

EXHIBIT

MAY 8 1990

17

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
South Carolina Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, South Carolina 29201

DELIVERED BY HAND

RE: Aiken County, South Carolina, Hospital Facilities Revenue  
Refunding Bonds (Mattie C. Hall Health Care Project),  
Series 1990  
File No.: 1977/27143

Dear Bill:

Enclosed are the following documents pertaining to the above-referenced matter which will supplement the package you received from our offices on Wednesday:

1. One (1) original and two (2) copies of the executed Petition.
2. One (1) executed copy of the County Council Resolution No. 90-5-141 which was adopted on May 1, 1990.

This information should complete the documentation necessary for submission to the Budget and Control Board on Wednesday, May 8, 1990, however, if you should have any questions or need additional information, please contact me.

With kind regards, I am,

Yours very truly,

McNAIR LAW FIRM, P. A.

*Dan McLeod*

By: Daniel R. McLeod, Jr.

DRMjr/kcu  
Enclosures

14463



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF AIKEN )

TO: THE STATE BUDGET AND CONTROL )  
 )  
BOARD OF SOUTH CAROLINA )

PETITION

This Petition of Aiken County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 44, Chapter 7 (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Aiken County is the governing body of Aiken County, and as such constitutes a "county board" and the "public agency" as referred to in the Act with respect to "hospital facilities" as defined in the Act located in Aiken County (the "County").

2. The Act empowers the County, functioning through its County Council (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 required by Section 44-7-1590 of the Act, to issue bonds to refinance or to refund any indebtedness of any "public agency" (defined in the Act to include a county) heretofore incurred for the purpose of providing hospital facilities. The Act further provides that if the County is also the public agency and the hospital facilities are under the jurisdiction of the County Council, the loan agreement contemplated by the Act may be in the form of a resolution adopted by the County Council.

3. The County presently owns a skilled nursing home facility known as Mattie C. Hall Health Care Center (the "Facility") which is managed by National HealthCorp. under a management agreement.

4. The County proposes to issue not exceeding \$3,500,000 hospital facilities revenue refunding bonds for the purpose permitted by the Act.

5. The County has heretofore issued its \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Center Project) 1988 (the "1988 Bond") which is presently outstanding in the principal amount of \$3,281,877.52.

6. The estimated cost of refunding the 1988 Bonds will be \$3,500,000 and the County proposes to execute and deliver its

Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990 (the "Bonds"), in the principal amount of not exceeding \$3,500,000 to defray such costs.

7. In accordance with Section 44-7-1480, the County Council has found and determined that:

(a) There is a need for the Facility in the area in which the Facility is located to serve the people of the County and to make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing the Facility;

(b) The Facility constitutes "hospital facilities" as defined in the Act;

(c) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds, including the obligations to make payments required thereunder, to operate, repair and maintain at its own expense the Facility and to discharge such other responsibilities as may be imposed under such documents;

(d) 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 Facility at the expense of the County;

(e) The public facilities, including utilities, and public services necessary for the Facility will be made available to the general public;

(f) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act; and

(g) The 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.

8. Pursuant to Section 44-7-1590 of the Act, the County sets forth the following information:

(a) The Facility of the County consists of a 176-bed skilled and intermediate care nursing home.

(b) The County will issue its not exceeding \$3,500,000 Hospital Facilities Revenue Refunding Bonds, Series 1990, to refund the 1988 Bonds.

(c) Because additional facilities or equipment are not being constructed or acquired, the Department of Health and Environmental Control ("DHEC") is not required to issue Certificates of Need with respect to the Facility. The Facility is duly licensed by DHEC.

(d) The cost of refunding the 1988 Bonds is not exceeding \$3,500,000 including financing costs and all other expenses to be incurred in connection therewith.

(e) The proposed Trust Indenture and Mortgage (the "Indenture") between the County and NCNB National Bank of South Carolina as trustee (the "Trustee"), provides as follows:

(i) The Indenture provides for the issuance of not exceeding \$3,500,000 Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, of Aiken County, South Carolina, for the purpose of refunding the 1988 Bonds, financing costs and all other expenses to be incurred in connection therewith.

(ii) The Indenture 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 general credit or taxing powers.

(iii) The Indenture contains covenants obligating the County to make payments which shall be sufficient to pay the principal of and interest on the Bonds issued; to build up and maintain any reserves deemed by the County Council to be advisable in connection therewith; and to pay the costs of maintaining the Facility in good repair and the cost of keeping such Facility properly insured.

(iv) The Indenture contains provisions whereby the County pledges and assigns and agrees to pay to the Trustee for the benefit of the Bondholder certain revenues of the Facility.

(v) The Indenture contains provisions authorizing an irrevocable pledge and assignment for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Facility and all



Gross Receipts derived the County from the Facility, and all the moneys and securities in funds created under the Indenture.

(vi) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the Bonds.

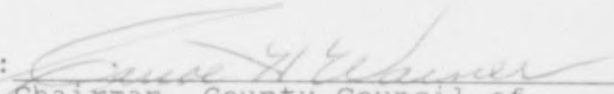
(viii) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (1) accept the filing of this Petition and the documents submitted herewith, (2) make such investigation as it deems advisable, (3) if it finds that the refunding is intended to promote the purposes of the Act, that it approve the refunding and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the refunding (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (4) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,


AIKEN COUNTY, SOUTH CAROLINA

By:

  
Chairman, County Council of  
Aiken County, South Carolina

(SEAL)

ATTEST:

  
Clerk, County Council of  
Aiken County, South Carolina

Dated: May 1, 1990

RESOLUTION NO. 90-5-141

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY AIKEN COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL FACILITIES REVENUE REFUNDING BONDS (MATTIE C. HALL HEALTH CARE CENTER PROJECT) SERIES 1990, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7 (1976), AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,500,000.

WHEREAS, Aiken 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, as amended (the "Act"), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing and equipping 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 refinancing or refunding outstanding obligations made or given by a public agency for the cost of hospital facilities; and

WHEREAS, the County is a "public agency" as such term is defined in the Act; and

WHEREAS, Mattie C. Hall Health Care Center (the "Facility") is a skilled nursing home facility located in the County; and

WHEREAS, the Facility is duly licensed by the Department of Health and Environmental Control ("DHEC") as a 176-bed skilled and intermediate care nursing home; and

WHEREAS, the County has heretofore issued its \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Center Project), 1988, (the "1988 Bond"); and

WHEREAS, the County proposes to issue its Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, in the principal amount of not exceeding \$3,500,000 (the "Bonds") under and pursuant to the Act to refund the 1988 Bond and to pay costs of issuance therefor; 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 Aiken County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The County Council constitutes the "county board", the Facility constitutes "hospital facilities" and the County constitutes a "public agency" as such terms are defined in the Act. Because the County is a public agency and the Facility is under the jurisdiction of the County Council, the Loan Agreement (as defined in the Act) may be and hereby is in the form of this Resolution adopted by the County Council.

(b) The Facility consists of a 176-bed skilled and intermediate care nursing home. The County proposes to issue not exceeding \$3,500,000 of hospital facilities revenue refunding bonds to refund the 1988 Bonds.

(c) There is a need for the Facility in the County to serve the people of the County and to provide adequate, modern and efficient skilled and intermediate care nursing home facilities at the lowest possible expense to those utilizing such Facility.

(d) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Facility and to discharge such other responsibilities as may be imposed under the documents relating to the Bonds.

(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 Facility at the expense of the County.

(f) The public facilities, including utilities, and public services necessary for the Facility will be made available to the general public.

(g) The Facility, the 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.



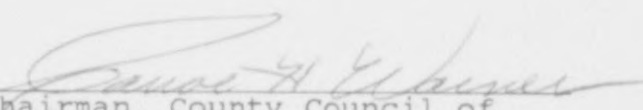
Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, 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 be and is 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 affix the seal of the County to said Petition and 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.


Adopted this 1st day of May, 1990.

AIKEN COUNTY, SOUTH CAROLINA

By:   
Chairman, County Council of  
Aiken County, South Carolina

(SEAL)

ATTEST:

  
Clerk, County Council of  
Aiken County, South Carolina

**Aiken Standard**

Aiken, South Carolina 29801

**EXHIBIT**

MAY 8 1990

17

STATE BUDGET &amp; CONTROL BOARD

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Personally appeared before me

PATSY Q. FORD

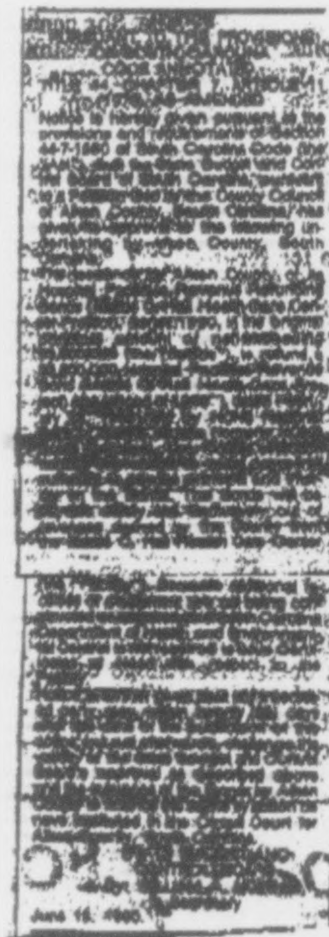
of the Aiken Standard, a seven day per week newspaper published in Aiken, South Carolina, and made oath in due form of law that the Advertisement of NOTICE PURSUANT TO THE PROVISIONS...SECTION 44-7-1590 OF S.C. CODE (THE "ACT")... appeared in the Aiken Standard on the following dates, viz. JUNE 13, 1990

*Patsy Q. Ford*  
SWORN and subscribed to before me this 18th day of June 1990

*Ellen L. Priest*

Notary Public  
for the State of South Carolina

My Commission Expires October 26, 1998



14471

MAY - 4 1990

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

CHARLESTON OFFICE  
140 EAST BAY STREET  
POST OFFICE BOX 1431  
CHARLESTON, S.C. 29402  
TEL (803) 723-7831  
FAX (803) 722-3227

GEORGETOWN OFFICE  
1112 HIGHMARKET STREET  
POST OFFICE DRAWER 459  
GEORGETOWN, S.C. 29442  
TEL (803) 546-6131  
FAX (803) 546-7232

GEORGETOWN OFFICE  
121 SCREVEN STREET  
POST OFFICE DRAWER 418  
GEORGETOWN, S.C. 29442  
TEL (803) 546-6102  
FAX (803) 546-0096

RALEIGH OFFICE  
ONE EXCHANGE PLAZA  
SUITE 810  
POST OFFICE BOX 2447  
RALEIGH, N.C. 27602  
TEL (919) 890-4190  
FAX (919) 890-4180

NCNB TOWER

1301 GERVAIS STREET

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

TELEPHONE (803) 799-9800

FAX (803) 799-9804

GREENVILLE OFFICE  
SUITE 1201  
NCNB PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
TEL (803) 271-4940  
FAX (803) 271-4015

HILTON HEAD ISLAND OFFICE  
McNAIR LAW BUILDING  
10 POPE AVENUE EXECUTIVE PARK  
POST OFFICE DRAWER 7787  
HILTON HEAD ISLAND, S.C. 29928  
TEL (803) 785-5169  
FAX (803) 785-3029

WASHINGTON OFFICE  
SUITE 400  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
TEL (202) 659-3900  
FAX (202) 659-5763

May 4, 1990

Mr. William A. McInnis  
South Carolina Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, South Carolina 29201

DELIVERED BY HAND

RE: Aiken County, South Carolina, Hospital Facilities Revenue  
Refunding Bonds (Mattie C. Hall Health Care Project),  
Series 1990  
File No.: 1977/27086

Dear Bill:

In accordance with my telephone conversation yesterday with  
Treva Ashworth at the Attorney General's Office, I have revised the  
Budget and Control Board's Resolution. Pursuant to the revision  
I have added paragraph (d) to Section 1 of the Resolution.

Enclosed are the original and four (4) copies of the revised  
Resolution. If there should be any questions regarding the revised  
Resolution, please contact me.

With kind regards, I am,

Yours very truly,

McNAIR LAW FIRM, P. A.

*Dan McLeod*

By: Daniel R. McLeod, Jr.

DRMjr/kcu  
Enclosures  
cc: Treva G. Ashworth, Esq.

**EXHIBIT**

MAY 8 1990

17

STATE BUDGET & CONTROL BOARD

14472



**Aiken Standard**

Aiken, South Carolina 29801

STATE OF SOUTH CAROLINA

COUNTY OF AIKEN

Personally appeared before me

PATSY Q. FORD

of the Aiken Standard, a seven day per week newspaper published in Aiken, South Carolina, and made oath in due form of law that the Advertisement of NOTICE PURSUANT TO THE PROVISIONS...SECTION 44-7-1590 OF S.C. CODE (THE "ACT")...

appeared in the Aiken Standard on the following dates, viz JUNE 13, 1990

*Patsy Q. Ford*  
SWORN and subscribed to before me this 18th day of June 1990

*Allen L. Priest*  
Notary Public  
for the State of South Carolina

My Commission Expires October 20, 1998

NOTICE  
PURSUANT TO THE PROVISIONS  
TITLE 44, CHAPTER 7, ARTICLE 11  
CODE ANNOTATED  
TITLE 44, CHAPTER 7, ARTICLE 11  
(1978), AS AMENDED  
Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Aiken County, South Carolina, has given its approval to the following undertaking by Aiken County, South Carolina:  
The issuance by Aiken County of its Hospital Facilities Revenue Refunding Bonds (Mattie C. Hall Health Care Center Project), Series 1990, in the original principal amount of not exceeding \$3,500,000 (the "Bonds"), to refund a \$3,500,000 Hospital Facilities Revenue Bond (Mattie C. Hall Health Care Project) (the "Bond of 1988"), dated February 20, 1988 held by NCNB National Bank of South Carolina (formerly NCNB South Carolina). The County unconditionally covenants to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of revenue derived by the County from the Mattie C. Hall Health Care Center

(the "Facility"). Because additional facilities or equipment are not being constructed or acquired, the South Carolina Department of Health and Environmental Control is not required to issue Certificates of Need with respect to the Facility.  
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's approval as described above and the issuance of the Bonds by Aiken County to finance the same by action de novo instituted in the Circuit Court for Aiken County, South Carolina.

STATE BUDGET AND  
CONTROL BOARD  
By: WILLIAM A. MCINNIS,  
Secretary  
June 13, 1990

14473

# EXHIBIT

MAY 8 1990

18

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 6

AGENCY: Executive Director

SUBJECT: Revenue Bond Issues; State Ceiling Allocations

The required reviews on the following 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 not requested for either project.

- (a) Issuing Authority: Florence County  
 Amount of Issue: \$9,200,000 Hospital Revenue Bond  
 Allocation Amount: -0-  
 Name of Project: United Methodist Manor of the Pee Dee  
 Employment Impact: approximately 35 full-time-equivalents  
 Project Description: retirement home facility
- (b) Issuing Authority: Aiken County  
 Amount of Issue: \$3,500,000 Hospital Facilities Revenue Refunding Bonds  
 Allocation Amount: -0-  
 Name of Project: Mattie C. Hall Health Care Center  
 Employment Impact: n/a  
 Project Description: skilled and intermediate care nursing home owned by Aiken County

The status report on the State ceiling as of May 4 (year elapsed 33%) shows:

	<u>Ceiling 1990</u>	<u>Allocated</u>	<u>%</u>	<u>Available</u>	<u>%</u>
State Pool	70,240,000	0		70,240,000	100.0%
Local Pool	105,360,000	30,200,000	26.1%	75,160,000	73.9%
Total	175,600,000	30,200,000	17.2%	145,400,000	82.8%

For comparison, the status about a year ago (at May 31, 1989) was:

	<u>Ceiling 1989</u>	<u>Allocated</u>	<u>%</u>	<u>Available</u>	<u>%</u>
State Pool	69,860,000	3,100,000	4.4%	66,760,000	95.6%
Local Pool	104,790,000	27,375,000	26.1%	77,415,000	73.9%
Total	174,650,000	30,475,000	17.4%	144,175,000	82.6%

## BOARD ACTION REQUESTED:

Adopt resolutions approving proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results; and receive as information the status report on the State Ceiling.

ATTACHMENTS: Resolutions; status report on State Ceiling.

14474

1990 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

A. State Government Pool (40%)	70,240,000
<b>Total, State Government Pool (40%)</b>	<b><u>70,240,000</u></b>
B. Local Pool (60%)	105,360,000
<b>Total, Local Pool (60%)</b>	<b><u>105,360,000</u></b>
	175,600,000
<b>Certified State Ceiling (01/03/89)</b>	<b><u>175,600,000</u></b>

\* \* \* \* \*

1990 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

<u>Date of B&amp;C Board Allocation</u>	<u>Governmental Unit</u>	<u>Name of Project</u>	<u>Pool Total</u>	<u>Amount of Pool Allocated</u>	<u>Balance of Pool Available</u>	<u>Amount Certified for Issue</u>	<u>Issue Date</u>	<u>Attorney</u>
01/03/90	STATE GOVERNMENT POOL		70,240,000					
	Total, State Government Pool		<u>70,240,000</u>	0	70,240,000	0		
01/03/90	LOCAL POOL		105,360,000					
01/16/90	Greenville County	Findley Adhesives		-4,200,000		4,200,000	01/19/90	Page
01/29/90	Laurens County	Teknor Apex		-8,000,000				Sievert
02/13/90	York County	Bowater, Inc.		-6,900,000		6,900,000	03/01/90	Johnson
02/13/90	Anderson County	Culp Woven Velvets		-4,000,000		4,000,000	03/05/90	Johnson
02/13/90	Darlington County	Figgie International		-5,000,000				Galloway
03/27/90	Spartanburg County	Cherokee Textiles		-2,100,000		2,100,000	05/01/90	McKinney
	Total, Local Pool		<u>105,360,000</u>	-30,200,000	75,160,000	17,200,000		
	GRAND TOTAL		<u>175,600,000</u>	-30,200,000	145,400,000	17,200,000		

14475

EXHIBIT

MAY 8 1990

18

STATE BUDGET & CONTROL BOARD



# EXHIBIT

MAY 8 1990

19

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION

MEETING OF May 8, 1990

ITEM NUMBER

---

AGENCY: General Services

---

SUBJECT: Donation of Real Property to USC

The Division recommends that USC - Union be authorized to accept the donation from the Norfolk Southern Railroad Corporation of approximately 2.29 acres of land known as the Union Oil Mill property.

The property is contiguous to the campus and has several buildings that will be demolished. The Union-Laurens Higher Education Commission has agreed to pay the cost of the demolition.

The property will be used as open landscaping or for intramural sports activities.

The environmental study indicates that no asbestos or other hazardous conditions exist on the site.

This project, H40-9501, has been approved by the Commission on Higher Education and the Joint Bond Review Committee.

---

BOARD ACTION REQUESTED:

Authorize USC - Union to accept the donation from the Norfolk Southern Railroad Corporation of approximately 2.29 acres of land known as the Union Oil Mill property (project H40-9501).

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ATTACHMENTS:

Agenda item worksheet; attachments

14476

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

Meeting Scheduled for: May 8, 1990

Regular Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: \_\_\_\_\_

*Wm. F. Ruff*

2. Subject:

University of South Carolina request to accept a donation of real property in Union County

3. Summary Background Information:

USC-Union desires to accept the donation of approximately 2.29 acres of land known as the Union Oil Mill property. The donation will be made by Norfolk Southern Railroad Corporation. The site is contiguous to the campus and presently contains several buildings which are to be demolished. The Union-Laurens Higher Education Commission has agreed to cover the cost of demolition. USC plans to utilize the property as open landscaping or intramural sports activities. The environmental study indicates no asbestos or other hazardous conditions on the site. This project is permanent improvement #H40-9501 and was approved by CHE on March 1, 1990 and JBRC on April 3, 1990.

4. What is Board asked to do?

Approve the USC-Union request to accept the donation of 2.29 acres in Union from Norfolk Southern Railroad.

5. What is recommendation of Board Division involved?

Approve

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

1. Letter from USC
2. Map
3. Environmental letter
4. Letter from DHEC
5. Code 1-11-65

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

**EXHIBIT**

MAY 8 1990

19

STATE BUDGET & CONTROL BOARD

14477



UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, SC 29208

OFFICE OF FACILITIES PLANNING  
(803) 777-5993

March 14, 1990



Mr. Bruce Taylor  
Property Management Division  
1201 Main Street, Suite 410  
Columbia, SC 29201

Dear Bruce:

Submitted herewith, please find copies of two letters that I received from Joe Smith of Geo-Systems Design and Testing, Inc., regarding the Union Oil Mill property. The letter dated March 12, 1990, refers to a forthcoming response from Mr. Knox of DHEC, that I will forward to you upon receipt.

Please accept this letter as a request to submit the Union Oil Mill Property Acquisition for approval by the appropriate authorities. If any additional information is required, please contact me at 777-5993. Thank you.

Sincerely,

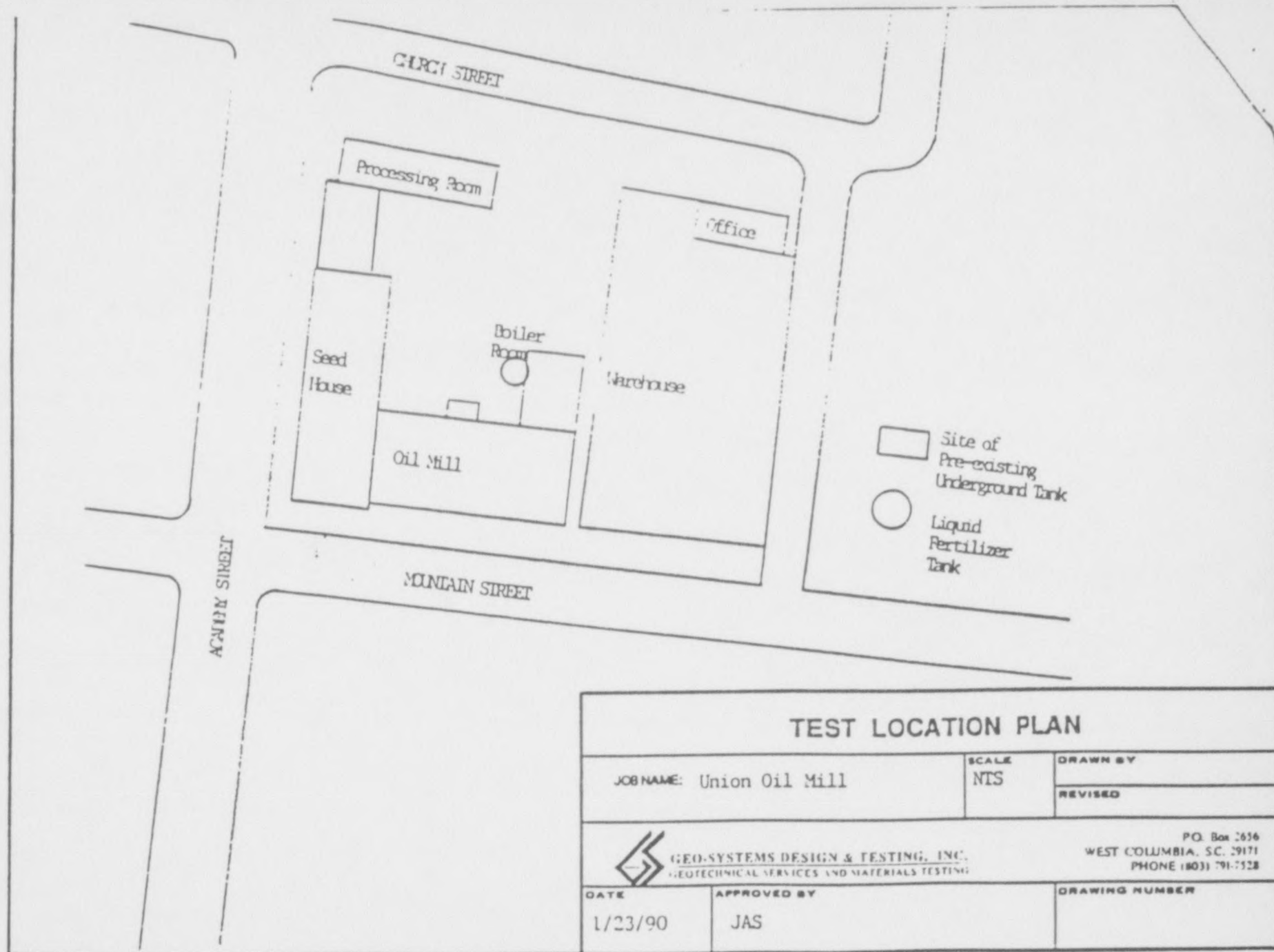
Stan R. Godshall

cc: (w/attachments)  
Ken Davis, Dean  
USC-Union

14478



14479



# TEST LOCATION PLAN

JOB NAME: Union Oil Mill

SCALE  
NTS

DRAWN BY

REVISED



GEO-SYSTEMS DESIGN & TESTING, INC.  
GEOTECHNICAL SERVICES AND MATERIALS TESTING

P.O. Box 2656  
WEST COLUMBIA, SC. 29171  
PHONE (803) 791-7528

DATE

1/23/90

APPROVED BY

JAS

DRAWING NUMBER



GEO-SYSTEMS DESIGN & TESTING, INC.  
GEOTECHNICAL SERVICES AND MATERIALS TESTING

EXHIBIT

MAY 8 1990

19

STATE BUDGET & CONTROL BOARD

February 19, 1990

University of South Carolina  
102 Osborne  
Columbia, South Carolina 29208

ATTN: Mr. Stan Godshell

RE: Union Oil Mill Property  
Environmental Assessment

Dear Mr. Godshell:

Our research and inquiry indicated no previous history of the site area as being utilized for hazardous waste dumping or any other local dumping, nor chemical spills, capacitors, etc. We do note that a previous existing underground fuel tank was removed from the site in October, 1989.

According to the South Carolina Department of Health and Environmental Control Lists and U.S. EPA CERCLIS as inspected by Geo-Systems Design & Testing Personnel, no hazardous waste sites exists within close proximity that could cause any harm to this site in the future.

The initial report issued concern for an apparent second floor grease room which indicated floor staining and open containers which should be cleaned with all tainted elements to be properly disposed to a landfill which must be pre-certified with DHEC. One (1) container of roofing tar contained some proportion of non-friable asbestos which DHEC personnel stated could better be given to a roofing contractor than disposed. No other evidence of asbestos was cited throughout the structural areas.

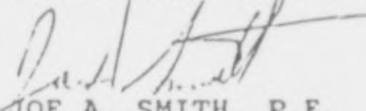
14480

The underground fuel tank removed from the site grounds was owned and removed by Moorehead Oil Company of Newberry (Mr. Craig Moorehead). The tank was not registered with DHEC nor was DHEC alerted to the removal process. Mr. Moorehead has been notified by our personnel that proper documentation must be afforded to DHEC with site tests to assure no contamination at this time. These tests are being performed at this time.

We appreciate the opportunity to be of service in this scope of work. If there are any questions or comments, please contact us at your earliest convenience.

Sincerely,

GEO-SYSTEMS DESIGN & TESTING, INC.



JOE A. SMITH, P.E.  
PRESIDENT

JAS/klr

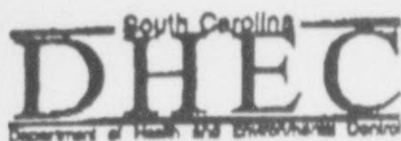
14481



FROM: MISSY

TO: SUP RESEARCH

APR 30, 1990 11:28AM P.02



April 30, 1990

Mr Stan Godshall  
102 Osborne Administration Bldg.  
University of South Carolina  
Columbia, South Carolina 29208

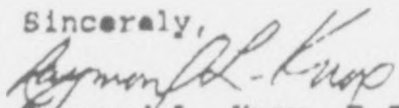
Re: Union Oil Mill Property  
Union County

Dear Mr. Godshall:

We have reviewed the soil analytical data from the referenced site. All values were below detection limits with the exception of benzene in Sample one. The benzene value in Sample one, 11 parts per billion, normally does not require any further action given the hydrogeological setting of the facility. If, however, in the future any environmental impact associated with the former tanks is detected, additional action may be required.

If we can be of additional assistance please feel free to contact me at 734-5328.

Sincerely,



Raymond L. Knox, P.G., Director  
Ground-Water Protection Division  
Bureau of Drinking Water Protection

Commissioner: Michael D. Jarrett Board: Henry S. Jordan MD, Chairman John B. Pate, MD, Vice Chairman William E. Appligate, III, Secretary  
Toney Graham, Jr., MD John H. Burris Richard E. Jabbour, DOS Currie B. Spivey, Jr.

2600 Bull Street Columbia, South Carolina 29201

14482

# EXHIBIT

MAY 8 1990

19

STATE BUDGET & CONTROL BOARD

"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution."

EXHIBIT

MAY 8 1990

20

STATE BUDGET AND CONTROL BOARD

MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION

ITEM NUMBER

8

AGENCY: General Services

SUBJECT: Aeronautics Commission Permanent Improvement Project

Budget and Control Board approval is requested for the following permanent improvement project establishment request which has been reviewed favorably by the Joint Bond Review Committee:

On Summary 18-90, Item 4:

Agency: Aeronautics Commission

Project: Global Wulfsberg Radios

Request: Establish project and budget

Amount: \$32,459.60

Source: Capital improvement bond funds

Purpose: To purchase 7 radios for use in Aeronautics Commission aircraft to improve air-to-ground communications without the towns' having to purchase additional radio equipment for communication. Capital improvement bond funds authorized for airport improvements are proposed as the source of funds.

The Division recommends that a source of funds other than the capital improvement bonds authorized for airport improvements be used for this project since it involves equipment.

This item was carried over at the April 23 meeting.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Agenda item worksheet; A13 form; attachments

14484



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

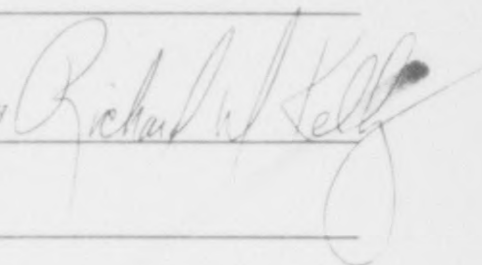
Meeting Scheduled for: April 23, 1990

Regular Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly



2. Subject:

Permanent Improvement Projects

3. Summary Background Information:

On Summary 18-90:

Item 4. Agency: Aeronautics Commission

Project: Global Wulfsberg Radios

Request: Establish project and budget

Amount: \$32,459.60

Source: Capital Improvement Bond funds

Purpose: To purchase 7 radios for use in Aeronautics Commission aircraft to improve air to ground communications without the towns having to purchase additional radio equipment for communication. Capital Improvement Bond funds that will be used were appropriated for airport improvements.

4. What is Board asked to do?

Approve permanent improvement project establishment request. This Item has been reviewed favorably by the Joint Bond Review Committee.

5. What is recommendation of Board Division involved?

Recommend alternative fund source be used for this project instead of Capital Improvement Bond funds. This project involves equipment for aircraft, not airport capital improvements.

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. List of Supporting Documents:

(a) Attached:

1. A-13 (Project Form) and Attachments

14485

For Board Use Only

18-90 (4)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1989-90

1. PROJECT IDENTIFIERS:

A. Agency: Number U04 Name SC Aeronautics Commission  
B. Contact Person Alarice W. Robinson Phone: 822-5400  
C. Project Name: Global Wulfsberg Radios # 9504  
D. Facility Affected: Name Aircraft at SC Aeronautics Number \_\_\_\_\_

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

SEE ATTACHED COPY OF INVOICE FROM MANUFACTURER

Site Description: (Attach a map showing project location)

Location: \_\_\_\_\_  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

SEE ATTACHED FACT SHEET

(What specific needs does this project address?):

EXHIBIT

MAY 8 1990 20

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN CONTROL BOARD

N/A

5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?  
Yes \_\_\_\_\_ No X If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

- A. Total estimated cost of project \$ 32,459.60
- B. Total estimated cost of project includes the following (1. through 10. = 7A above)
- (1) \$ \_\_\_\_\_ Planning/design services
  - (2) \_\_\_\_\_ Site work (including utilities)
  - (3) \_\_\_\_\_ Central energy systems repair/replacement
  - (4) \_\_\_\_\_ Mechanical systems repair/replacement
  - (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)
  - (6) \_\_\_\_\_ Roof repair/replacement
  - (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)
  - (8) 32,459.60 Equipment/supplies
  - (9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft.: \_\_\_\_\_)  
(Land, acres: \_\_\_\_\_)
  - (10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_
- \$ 32,459.60 Total (Same as 7 A)



14486

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 32,459.60  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>Equipment</u>	\$ <u>32,459.60</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1990 \$ 32,459.60  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ \_\_\_\_\_

C. Total (Same as 7A, 7B and 7C): \$ 32,459.60

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ 32,459.60	8115	28-087	3043	9001	0635
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ 32,459.60					

10. Submitted By:

Authorized Official: Alarice W. Robinson Date Submitted 04/06/90  
Typed Name and Title and Signature FY Submitted 1990

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature Date 14487 12  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME \_\_\_\_\_



BUDGET AND CONTROL BOARD  
DIVISION OF GENERAL SERVICES  
PROPERTY MANAGEMENT OFFICE

According to an Aeronautics Commission official, the agency's efforts following Hurricane Hugo demonstrated the need for radios in Aeronautics Commission aircraft in order to communicate air to ground with municipal officials in the event of an emergency. Each municipality is on a different radio frequency and the Commission does not have the ability to tune in to all frequencies with existing equipment. With the Wulfsberg radios, the Commission will have the ability to communicate with all municipalities without the towns having to purchase additional radio equipment to communicate with the Commission. The radios are the last component needed to communicate with any entity regardless of frequency.

While the radios are no longer being made, the Commission does not anticipate any problems in maintaining or getting repair parts for the radios. The purchase of the radios will include a one-year warranty.

The Aeronautics Commission official stated that Capital Improvement Bond funds are being used to purchase the radios because the agency is not sure of its cash flow status at this time and purchasing the equipment can be considered capital expenditure due to the 15-year life span of the equipment.

CPR

14488

(5239)

Capital Improvements  
Joint Bond Review Committee

HORACE C. SMITH  
SENATE  
CHAIRMAN

SENATE MEMBERS:  
HORACE C. SMITH  
JAMES M. WADDELL, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE  
J. VERNE SMITH

HOUSE MEMBERS:  
MARION P. CARNELL  
JENNINGS G. MCABEE  
R. N. MCLELLAN  
LARRY BLANDING  
WILLIAM D. BOAN



MARION P. CARNELL  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

SCOTT R. INKLEY  
DIRECTOR OF RESEARCH  
BUDGET AND CONTROL BOARD LIAISON

LIB CROFT  
ADMINISTRATIVE ASSISTANT

April 4, 1990

Mr. William A. McInnis  
Deputy Executive Director  
State Budget & Control Board  
600 Wade Hampton Building  
Columbia, South Carolina 29201

In Re: SC Aeronautics Commission

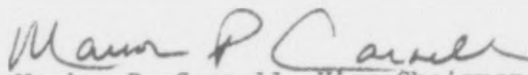
Dear Mr. McInnis:

The Joint Bond Review Committee, at its meeting of 4/3/90, approved the request of the SC Aeronautics Commission for the purchase of radio transmitting equipment at a cost of \$32,459.60 to be funded from CIB funds authorized for General Airport Improvements.

Attached hereto is a copy of the Aeronautics Commission's Fact Sheet pertaining to the request.

With kind regards, I am

Sincerely,

  
Marion P. Carnell, Vice-Chairman  
Joint Bond Review Committee

MPC/lc  
Enc.

cc: Mrs. Aline A. Ferguson

14489



RECEIVED MAR 30 1990

## South Carolina Aeronautics Commission

DRAWER 1987, COLUMBIA, SOUTH CAROLINA 29202  
TELEPHONE 803-739-5400

March 30, 1990

### FACT SHEET

During operations the morning after hurricane HUGO went through South Carolina, We recognized a need for communications radios with a higher transmit and receive capability than normal.

The Wulfsberg radios were selected for the following reasons:

1. It will tie in with the Flexcom system already in use with the S. C. Aeronautics Commission aircraft without requiring additional control heads and mounts;
2. It gives a greater transmit and receive capability for when working at low altitudes in disaster areas and on law enforcement missions;
3. This equipment would have a life expectancy of over 15 years and could be changed from one aircraft to the next if the original were sold and replaced;
4. This would enable us to work with local government without them incurring additional expenses to purchase special communications equipment that will net with our aircraft. This radio completes a Flexcom set that will allow communications with any city or county agency in the state;
5. This radio was no longer in production when we needed it. Global Wulfsberg, the manufacturer, found these radios that were excess in one federal agency and purchased them back. We had only a short period of time to decide on whether to purchase them or not. Hurricane HUGO was the deciding factor on this when we saw a definite communications problem that this radio would solve; and
6. The cost of \$32,459.60 is very small when weighed against their usefulness in a disaster situation.

For any additional information, please feel free to contact me at 822-5411 or pager number 253-2278.

# EXHIBIT

MAY 8 1990

20

STATE BUDGET & CONTROL BOARD

J. Rex Dula  
Aircraft Maintenance  
S. C. Aeronautics Commission

14490



# EXHIBIT

MAY 8 1990

21

STATE BUDGET AND CONTROL BOARD  
MEETING OF May 8, 1990

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 9

AGENCY: General Services

SUBJECT: Permanent Improvement Projects

The Division recommends approval of the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

a. On Summary 17-90:

Item 8. Agency: Technical & Comprehensive Education  
Project: 9548, Trident-New Student Center  
Request: Increase budget to \$4,925,000  
Amount: Add \$425,000 Source: Other (Local) funds  
Purpose: The increase is due to site problems and an increase in construction costs due to Hurricane Hugo. Site problems were caused by location on a former landfill. All debris has now been removed and no methane gas has been found on the site.

b. On Summary 18-90:

Item 2. Agency: Mental Retardation  
Project: Midlands-Renovation of Sequoia Dormitory  
Request: Establish project and budget  
Amount: \$300,000 Source: Excess Debt Service funds  
Purpose: Project consists of interior demolition, new partitions, upgrading of the bathroom facilities, fire alarm systems, door locking systems, etc. to meet DHEC licensing requirements.

c. On Summary 19-90:

Suppl 1. Agency: Winthrop College  
Project: 9510, Phelps Hall Asbestos Abatement  
Request: Increase budget to \$693,000 Amount: Add \$650,000  
Source: Capital Improvement Bond funds  
Purpose: The original budget was for A&E work. This increase is for the construction phase of this asbestos abatement project.

d. Suppl 2.

Agency: Savannah Valley Authority  
Project: 9511, Crescent Property Acquisition  
Request: Increase budget to \$906,938.75  
Amount: Add \$896,938.75 Source: Appropriated State funds  
Purpose: The increase in budget is needed in order to accept State Appropriated funds which were allocated to Savannah Valley Authority for the 1989-90 fiscal year.. The actual land acquisition is not ready for approval and will be brought as a separate agenda item to the Board at a later date.

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment request and budget revisions.

ATTACHMENTS: A-13 and A-23 (Project Forms) and Attachments

14491

MAY 8 1990

21

## BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

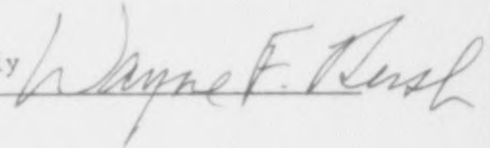
Meeting Scheduled for: May 8, 1990

STATE BUDGET & CONTROL BOARD  
Regular Agenda

## 1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly



## 2. Subject:

Permanent Improvement Projects

## 3. Summary Background Information:

On Summary 17-90:

Item 8. Agency: Technical & Comprehensive Education  
Project: 9548, Trident-New Student Center  
Request: Increase budget to \$4,925,000  
Amount: Add \$425,000  
Source: Other (Local) funds  
Purpose: The increase is due to site problems and an increase in construction costs due to Hurricane Hugo. Site problems were caused by location on a former landfill. All debris has now been removed and no methane gas has been found on the site.

On Summary 18-90:

Item 2. Agency: Mental Retardation  
Project: Midlands-Renovation of Sequoia Dormitory  
Request: Establish project and budget  
Amount: \$300,000  
Source: Excess Debt Service funds  
Purpose: Project consists of interior demolition, new partitions, upgrading of the bathroom facilities, fire alarm systems, door locking systems, etc. to meet DHEC licensing requirements.

On Summary 19-90:

Suppl 1. Agency: Winthrop College  
Project: 9510, Phelps Hall Asbestos Abatement  
Request: Increase budget to \$693,000  
Amount: Add \$650,000  
Source: Capital Improvement Bond funds  
Purpose: The original budget was for A&E work. This increase is for the construction phase of this asbestos abatement project.

Suppl 2. Agency: Savannah Valley Authority  
Project: 9511, Crescent Property Acquisition  
Request: Increase budget to \$906,938.75  
Amount: Add \$896,938.75  
Source: Appropriated State funds  
Purpose: The increase in budget is needed in order to accept State Appropriated funds which were allocated to Savannah Valley Authority for the 1989-90 fiscal year.. The actual land acquisition is not ready for approval and will be brought as a separate agenda item to the Board at a later date.

14492

BUDGET AND CONTROL BOARD AGENDA WORKSHEET

Page 2

May 8, 1990

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4. What is Board asked to do?

Approve permanent improvement project establishment request and budget revisions. All Items have been reviewed favorably by the Joint Bond Review Committee.

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5. What is recommendation of Board Division involved?

Recommend approval of permanent improvement project establishment request and budget revisions.

---

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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

---

7. List of Supporting Documents:

(a) Attached:

1. A-13 and A-23 (Project Forms) and Attachments

14493



FROM: TRIDENT TECHNICAL COL TO: SCOE  
BUDGET AND CONTROL BOARD FORM 13 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

MAR 29, 1990 11:37AM P.02

17-90 (8)
Packet Number

REVISION OF PROJECT BUDGET OR PROJECT SCOPE  
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 89/90

1. PROJECT IDENTIFIERS:

A. Agency: Number H59 Name Trident Technical College  
B. Contact person: Mike Gross Phone: 572-6197  
C. Project Number: 9548 Name: Junior-New Student Center

2. PROJECT ACTION PROPOSED:

☒ Increase total project budget ☐ Change source of funds  
☐ Decrease total project budget ☐ Revise scope

3. WHAT IS THE REVISION PROPOSED?:

To increase the cost of the project by \$425,000 from \$4,500,000 to \$4,925,000

4. JUSTIFICATION FOR REVISION (Why is it needed?):

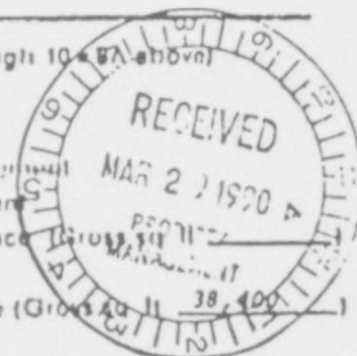
The lowest bid for the construction of the building was higher than the estimated amount. This was a result of anticipated site problems and increase in construction cost in the Charleston area as a result of Hurricane Hugo.

5. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs because of the revision? Yes ☐ No ☒  
If yes, complete and attach Addendum A-49.

6. ESTIMATES OF PROJECT COSTS AS REVISED

A. Total estimated cost of project as revised: \$ 4,925,000  
B. Total estimated cost of project as revised includes the following (1 through 10 as shown):  
(1) \$ 300,000 Planning/design services  
(2) 380,000 Site work (including utilities)  
(3) \_\_\_\_\_ Central energy systems repair/replacement  
(4) \_\_\_\_\_ Mechanical systems repair/replacement  
(5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq ft) \_\_\_\_\_  
(6) \_\_\_\_\_ Roof repair/replacement  
(7) 3,903,000 Construction of additional floor space (Gross sq ft) 38,400  
(8) 175,000 Equipment/supplies  
(9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq ft) \_\_\_\_\_  
(Land, acres: \_\_\_\_\_)  
(10) 167,000 Other (Specify) \_\_\_\_\_

\$ 4,925,000 Total (Same as BA)



14494

23

6. C. Total estimated cost of project, as revised, by broad purpose: Total cost: \$ 4,925,000  
(equals 1 through 8, below, and is same as 6A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ <u>4,925,000</u>	8. Other	\$ _____

7. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR AS REVISED:

A. Estimated expenditures and expenditure purposes, this FY: 89/90 \$ 1,100,000  
(expenditure purposes (use 6B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY \$ 3,825,000

C. Total (Same as 6A, 6B and 6C) \$ 4,925,000

8. PROPOSED SOURCES OF FUNDS AS REVISED: TYPE	PREVIOUSLY APPROVED AMOUNT	PROPOSED INCREASE + DECREASE -	REVISED AMOUNT	REVENUE CODE	TREASURER I. D. NUMBER	SUB FUND
(0) Capital Improvement Bonds	\$ .	\$	\$			
(1) Depart Capital Imp Bonds						
(2) Inst (tullion) Bonds	2,940,000		2,940,000	8111	28300100	
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other LOCAL	1,560,000	425,000	1,985,000	7841	78200100	
TOTAL	\$4,500,000	\$ 425,000	\$ 4,925,000			

9. Submitted By:

Authorized Official

*Mike Gross*  
Typed Name and Title and Signature  
Mike Gross, Vice President, Finance and Administration

Date Submitted 3/22/98

FY Submitted 89/90

10. APPROVED (For Board Use Only):

Typed Name and Title and Signature

14495

Date

24

**Budget and Control Board  
Division of General Services  
Property Management - Permanent Improvements**

Date: March 30, 1990

Re: Project H59-9548 - Trident Tech's New Student Center

The proposed increase of \$425,000 in this project is a result of two factors which came to light after the initial project submission.

A portion of the increase is directly related to supply and demand factors increasing costs after Hurricane Hugo. The other factor is directly related to the fact that the site is the former location of a landfill. Initially they thought it would only be necessary to remove, replace, and compact the first 2 to 3 feet of the site. Later soil engineering tests revealed that it would be necessary to remove, replace and compact up to 6 feet of the surface soils.

*CMH*

**14496**



For Board Use Only

18-90 (2)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT  
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1986/87

1. PROJECT IDENTIFIERS:

A. Agency: Number 316 Name S. C. DEPARTMENT OF MENTAL RETARDATION  
B. Contact Person ERUCH T. TATA, P. E., DIR. ENGR. & PLANNING Phone: 737-5511 #9569  
C. Project Name: MIDLANDS CENTER - RENOVATION OF SEQUOIA DORMITORY  
D. Facility Affected: Name SEQUOIA Number \_\_\_\_\_

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

*Project consists of interior demolition, new partitions, upgrade of the bathroom facilities, fire alarm systems, door locking systems, etc.*

Site Description: (Attach a map showing project location)

Location: RICHLAND 401 WPA MIDLANDS CENTER  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

*The building is a security dormitory and is not currently licensed. The Client Advocacy Group has recommended and DHEC has required that this building be licensed.*

(What specific needs does this project address?):

*When renovations are completed the building will house 16 medical eligible beds and 4 licensed beds to house clients referred to the Department by the Court System.*

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

*None Available*

5. PRIORITY: This project is priority number \_\_\_\_\_ of \_\_\_\_\_ projects proposed in this program.

*INTERIM PROJECT*

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes \_\_\_\_\_ No X If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project: \$ \_\_\_\_\_

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ 30,000.00 Planning/design services  
(2) \_\_\_\_\_ Site work (including utilities)  
(3) \_\_\_\_\_ Central energy systems repair/replacement  
(4) \_\_\_\_\_ Mechanical systems repair/replacement  
(5) 230,000.00 General renovation/repair of floor space (Gross sq. ft. 17,000 Approx.)  
(6) \_\_\_\_\_ Roof repair/replacement  
(7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft. \_\_\_\_\_)  
(8) \_\_\_\_\_ Equipment/supplies  
(9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)  
(Land, acres: \_\_\_\_\_)  
(10) 40,000.00 Other (Specify) INS. CONTING.

\$ 300,000.00 Total: (Same as 7A)

14497 -

4

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 300,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>UPGRADE FACILITY</u>	\$ <u>300,000.00</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 89-90 \$ 30,000.00  
(Expenditure purposes (use 7B categories): (1); (5); (10))

B. Estimated expenditures after this FY: \$ 270,000.00

C. Total (Same as 7A, 7B and 7C): \$ 300,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service	300,000.00	4516		4660		
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ 300,000.00					

10. Submitted By:

Authorized Official: Lonnie A. Bowman Jr. Date Submitted 4/10/1990  
Typed Name and Title and Signature  
LONNIE A. BOWMAN, JR., DEPUTY COMMISSIONER SUPPORT SERVICES  
FY Submitted \_\_\_\_\_

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature \_\_\_\_\_ Date \_\_\_\_\_  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME \_\_\_\_\_

14498

5

BUDGET AND CONTROL BOARD  
DIVISION OF GENERAL SERVICES  
PROPERTY MANAGEMENT OFFICE

According to a DMR official, licensure of the Sequioa Dormitory has not been required by DHEC in the past. This dormitory houses clients referred to DMR by the state's court system. The Client Advocacy Group has pushed for licensure of this building and DHEC now agrees licensure is in order. In order to receive licensure, DMR must renovate the dormitory in the manner indicated on the form. These renovations necessary for licensure will reduce the bedspace in the dormitory from 32 to 20 beds.

CPR

14499

6



BUDGET AND CONTROL BOARD FORM A-23 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

For Board Use Only

Packet Number

REVISION OF PROJECT BUDGET OR PROJECT SCOPE

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1989-90

1. PROJECT IDENTIFIERS:

A. Agency: Number H47 Name WINTHROP COLLEGE  
B. Contact person: J. P. McKee, V.P. Finance & Business Phone: (813) 323-2205  
C. Project Number: H47-9510-VP Name: PHELPS HALL ASBESTOS ABATEMENT

2. PROJECT ACTION PROPOSED:

☒ Increase total project budget ☐ Change source of funds  
☐ Decrease total project budget ☐ Revise scope

3. WHAT IS THE REVISION PROPOSED?:

Original budget was for A & E services only. \$650,000.00 to be added for construction phase.

4. JUSTIFICATION FOR REVISION (Why is it needed?):

Funds for the construction phase have now been released by the Joint Bond Review Committee.

5. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs because of the revision? Yes ☐ No ☒  
If yes, complete and attach Addendum A-49.

6. ESTIMATES OF PROJECT COSTS AS REVISED

- A. Total estimated cost of project as revised: \$ 693,000.00
- B. Total estimated cost of project as revised includes the following (1 through 10 = 6A above)
- (1) \$ 65,000.00 Planning/design services
  - (2) \_\_\_\_\_ Site work (including utilities)
  - (3) \_\_\_\_\_ Central energy systems repair/replacement
  - (4) \_\_\_\_\_ Mechanical systems repair/replacement
  - (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft. \_\_\_\_\_)
  - (6) \_\_\_\_\_ Roof repair/replacement
  - (7) \_\_\_\_\_ Construction of additional floor space (Gross sq. ft. \_\_\_\_\_)
  - (8) \_\_\_\_\_ Equipment/supplies
  - (9) \_\_\_\_\_ Purchase of facilities: (Floor space, gross sq. ft. \_\_\_\_\_)
  - (10) 628,000.00 Other (Specify) Asbestos Abatement (Land, acres: \_\_\_\_\_)

\$ 693,000.00 Total (Same as 6A)

EXHIBIT

MAY 8 1990 1450021

STATE BUDGET & CONTROL BOARD

6. C. Total estimated cost of project, as revised, by broad purpose: Total cost: \$ 693,000.00  
(equals 1 through 8, below, and is same as 6A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other <u>Asbestos Abatement</u>	\$ <u>693,000.00</u>

7. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR AS REVISED:

A. Estimated expenditures and expenditure purposes, this FY \_\_\_\_\_ \$ 293,000.00  
(expenditure purposes (use 6B categories) \_\_\_\_\_)

Asbestos Abatement )

B. Estimated expenditures after this FY \_\_\_\_\_ \$ 400,000.00

C. Total (Same as 6A, 6B and 6C) \_\_\_\_\_ \$ 693,000.00

8. PROPOSED SOURCES OF FUNDS AS REVISED:	PREVIOUSLY APPROVED AMOUNT	PROPOSED INCREASE + DECREASE -	REVISED AMOUNT	REVENUE CODE	TREASURER I D. NUMBER	SUB FUND
TYPE						
(0) Capital Improvement Bonds	\$ 43,000	\$ 650,000 *	\$ 693,000	8115	03000700	3043
(1) Depart Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL	\$ 43,000.00	\$ 650,000.00	\$ 693,000.00	*Funds transferred from F12-9355.		

9. Submitted By: J. P. McKee, Vice President for Finance and Business

Authorized Official \_\_\_\_\_

J. P. McKee  
Typed Name and Title and Signature

Date Submitted 4/9/90

FY Submitted 1989-90

10. APPROVED (For Board Use Only):

**14501**

\_\_\_\_\_  
Typed Name and Title and Signature

\_\_\_\_\_  
Date

BUDGET AND CONTROL BOARD FORM A-23 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

For Board Use Only

19-90

Packet Number

## REVISION OF PROJECT BUDGET OR PROJECT SCOPE

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 89/90

## 1. PROJECT IDENTIFIERS:

A. Agency: Number PLO Name Savannah Valley Authority  
 B. Contact person: Morrison J. Parrott Phone: 301-2410  
 C. Project Number: 9511 Name Crescent Property Acquisition

## 2. PROJECT ACTION PROPOSED:

X Increase total project budget                      Change source of funds  
                     Decrease total project budget                      Revise scope

## 3. WHAT IS THE REVISION PROPOSED?:

To add an additional \$896,938.75 to opening amount of \$10,000 towards purchase of 982 acres of land.

## 4. JUSTIFICATION FOR REVISION (Why is it needed?):

The Crescent property is the largest of ten parcels needed for our proposed Richard B. Fussell Project and is the first tract we plan to purchase. The acquisition of this particular property is necessary to consolidate the entire project area. Funds are available in our Special Items category and will be transferred to Capital Improvement.

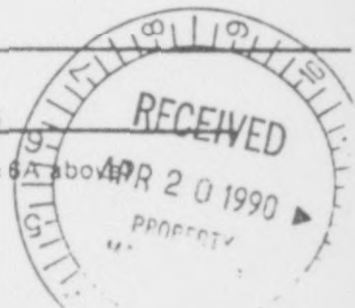
5. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs because of the revision? Yes            No X  
 If yes, complete and attach Addendum A-49

## 6. ESTIMATES OF PROJECT COSTS AS REVISED

A. Total estimated cost of project as revised: \$ 906,938.75

B. Total estimated cost of project as revised includes the following (1 through 10 = 6A above)

(1)	\$	Planning/design services
(2)		Site work (including utilities)
(3)		Central energy systems repair/replacement
(4)		Mechanical systems repair/replacement
(5)		General renovation/repair of floor space (Gross sq ft <u>          </u> )
(6)		Roof repair/replacement
(7)		Construction of additional floor space (Gross sq ft <u>          </u> )
(8)		Equipment/supplies
(9)	<u>896,938.75</u>	Purchase of facilities: (Floor space, gross sq ft <u>          </u> ) (Land, acres <u>982</u> )
(10)	<u>10,000.00</u>	Other (Specify) <u>Survey, appraisal, legal, etc.</u>
	<u>906,938.75</u>	Total (Same as 6A)



14502



FORM A-23 PAGE 2

6. C. Total estimated cost of project, as revised, by broad purpose: Total cost: \$ 906,938.75  
(equals 1 through 8, below, and is same as 6A)

1. Purchase land	\$ <u>896,938.75</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other _____	\$ <u>10,000.00</u>

## 7. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR AS REVISED:

A. Estimated expenditures and expenditure purposes, this FY: \_\_\_\_\_ \$ \_\_\_\_\_  
(expenditure purposes (use 6B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY \_\_\_\_\_ \$ \_\_\_\_\_

C. Total (Same as 6A, 6B and 6C) \_\_\_\_\_ \$ 906,938.75

8. PROPOSED SOURCES OF FUNDS AS REVISED: TYPE	PREVIOUSLY APPROVED AMOUNT	PROPOSED INCREASE + DECREASE -	REVISED AMOUNT	REVENUE CODE	TREASURER I. D. NUMBER	SUB FUND
(0) Capital Improvement Bonds	\$ _____	\$ _____	\$ _____			
(1) Depart Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State	10,000.00	+896,938.75	906,938.76	8895	68800100	3600
(7) Federal						
(8) Athletic						
(9) Other						
<b>TOTAL</b>	<b>\$ 10,000.00</b>	<b>\$ +896,938.75</b>	<b>\$ 906,938.75</b>			

**EXHIBIT**

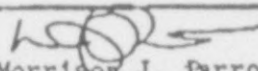
MAY 8 1990

**21**

STATE BUDGET &amp; CONTROL BOARD

9. Submitted By:

Authorized Official

  
Morrison J. Parrott, Executive Director  
Typed Name and Title and Signature

Date Submitted

FY Submitted

10. APPROVED (For Board Use Only):

**14503**

# EXHIBIT

MAY 8 1990

22

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION

MEETING OF May 8, 1990

ITEM NUMBER

10

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AGENCY: Human Resource Management

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SUBJECT: MUSC On-call Pay

The Division recommends approval of the Medical University request to increase the on-call pay rate from \$1 to \$3 per hour for registered nurses assigned to the Cardiac Operating Room.

MUSC officials request the rate change due to the increasing difficulty in staffing the Cardiac Operating Room with registered nurses.

Employees who receive on-call pay are assigned to the MUSC Medical Center in position directly supporting patient care. Employees are authorized on-call pay only when scheduled to provide emergency coverage where staff shortages do not permit sufficient coverage.

---

BOARD ACTION REQUESTED:

Authorize the Medical University to increase the on-call pay rate from \$1 to \$3 per hour for registered nurses assigned to the Cardiac Operating Room.

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ATTACHMENTS:

Agenda item worksheet; attachment

14504

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

For meeting scheduled for:

May 8, 1990

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:

On-Call Pay - Medical University of South Carolina

3. Summary Background Information:

The Medical University of South Carolina requests an increase from \$1.00 to \$3.00 per hour in the on-call pay rate for registered nurses assigned to the Cardiac Operating Room. Personnel Regulation 703.04D.1 states, "Payment to an employee for being in 'On Call' status may be made only with prior, specific approval by the Budget and Control Board". On December 2, 1982, the Budget and Control Board approved MUSC's on-call pay policy at its current rate of \$1.00 per hour. Officials at the University request the rate change due to increasing difficulty in staffing the Cardiac Operating Room with registered nurses.

Employees who receive on-call pay are assigned to the MUSC Medical Center in positions directly supporting patient care. Employees will be authorized on-call pay only when scheduled to provide emergency coverage where staff shortages do not permit sufficient coverage.

4. What is Board asked to do?

Authorize the on-call pay rate increase from \$1.00 to \$3.00 for registered nurses assigned to the Cardiac Operating Room.

5. What is recommendation of the Board Division involved?

Approve the Medical University's request.

**EXHIBIT**

MAY 8 1990

22

STATE BUDGET & CONTROL BOARD

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

Facts Sheet

Letter of February 5, 1990 from  
C. Betts Ellis to Paul B. Johnson.

List Those Not Attached But Available  
from Submitter

Medical College of Virginia  
Salary Survey

14505



**FACTS SHEET**  
**On Call Pay**

**DEFINITION:**

On-call status is the scheduled state of availability to return to duty, work-ready, within a specified period of time.

**CRITERIA:**

An employee must:

- (1) be scheduled for on-call duty by an appointing authority or his designee.
- (2) remain available through a pre-arranged means of communication (electronic paging device).
- (3) report to duty, work-ready within a 30 minute time period.

**BACKGROUND:**

MUSC Medical Center is experiencing problems staffing the Cardiac Operating Room with registered nurses to the level desired by Cardiothoracic surgeons. Due to the delicate nature of cardiothoracic operations, the surgeons insist that two nurses be included in each procedure. Emergency situations often occur at times other than normal work hours; therefore, it is necessary to use on-call pay to ensure the availability of qualified registered nurses.

The Cardiac Operating Room currently has sixteen nurse positions of which six are vacant. The unit is supplemented by outside registered nurses employed by a private agency; however, these nurses are not available to work during their non-scheduled hours. Therefore, the Cardiac Operating Room depends on ten registered nurses to rotate on-call status to cover the specific needs of the unit. Two nurses are on-call at all times and carry beepers to ensure their availability. An employee in on-call status must report to duty within 30 minutes after being called in for duty. If an employee in on-call status fails to report to duty or is unavailable when needed, disciplinary actions prescribed for absenteeism would apply. The agency has not encountered any problems in this area.

**JUSTIFICATION:**

- \* the Fall 1989 Medical College of Virginia Salary Survey reports an average on-call rate of \$2.91 per hour for all categories of registered nurses.
- \* MUSC is requesting an on-call rate of \$3.00 per hour for only the registered nurses assigned to the Cardiac Operating Room.
- \* Cardiac Operating Room nurses are on-call three days per week and one weekend per month.
- \* Cardiothoracic (open-heart) surgeries are often unpredictable and extremely delicate, requiring specialized nursing care.

DEPARTMENT OF HUMAN RESOURCES MANAGEMENT  
Office of Director (803) 792-2121  
Benefits (803) 792-2607  
Classification & Compensation (803) 792-2684  
Employee Relations (803) 792-4675  
Employment (803) 792-2071  
Hospital Relations & Staff Development (803) 792-5634  
Records (803) 792-3421



MEDICAL UNIVERSITY OF SOUTH CAROLINA  
171 Ashley Avenue  
Charleston, South Carolina 29425-1055

February 5, 1990

Mr. Paul B. Johnson  
Senior Analyst  
Compensation Section  
Division of Human Resource Mgmt.  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

Dear Mr. Johnson:

The MUSC Medical Center continues to experience serious problems in staffing the Cardiac Operating Room with registered nurses to the level desired by Cardiothoracic surgeons for these delicate operations. The surgeons insist that two nurses be included in each procedure, particularly in emergency situations which often occur at times other than normal work hours.

The Cardiac OR has 16 nurse positions of which six are vacant at the present time. The unit is augmented by outside RN's employed by a private agency; however, these nurses do not take call and are not available to come in during their non-scheduled hours. The staffing shortage and the arrangement with the "travel" nurses places a heavy burden on the permanent staff who must be available for emergency operations at all times. Efforts have been made to transfer other volunteers to this unit but none are interested because the work is more stressful and demanding and requires additional training to assist in operating life support equipment.

When these nurses are in an on-call status they are paid the on-call rate of \$1.00 per hour which has been in effect since December, 1982. This small amount hardly compensates these employees for the inconvenience of rearranging their off-duty activities to be ready to report to work when needed. Even though there are times when they are not called in, the ever-presence of this possibility certainly affects the things they can do during these periods.

We are, therefore, requesting State DHRM'S approval to increase the on-call rate for registered nurses assigned to the Cardiac OR only, from \$1.00 an hour to \$3.00. This increase, we feel, will have a very favorable impact on this staff regarding their willingness to be on-call and their attitude towards being called to work during their off-duty hours, and be an incentive for other nurses to volun-

14507

"An equal opportunity employer"

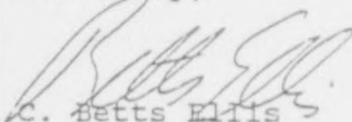
Mr. Paul B. Johnson  
February 2, 1990  
Page 2

teer to work in this unit. We believe it is a small price to pay for this invaluable resource. It should be noted, too, that these operations are at the top of the list in terms of generating revenue for the Medical Center.

In reviewing our files from 1982 when the on-call program was initially approved, it appears that the On-Call rate can be set by the Director of Human Resource Management without approval by the Budget and Control Board. The following is a quote from the on-call Pay Procedure approved by the Budget and Control Board on March 23, 1982. It was provided to us by Mr. Jack S. Mullins' letter to Dr. William H. Knisely, MUSC President, dated April 1, 1982, and states in part: "Employees in on-call status may be compensated at an hourly rate per shift for each shift of on-call duty as approved by the State Personnel Director." While we understand that the approval to add new job classes to the authorized on-call list rests with the Budget and Control Board, we believe that the rate of pay can be set by the Director of Human Resource Management as stated in the approved procedure.

Your support and cooperation in increasing the on-call rate for Cardiac OR nurses will be most appreciated.

Sincerely,

  
C. Betts Ellis  
Director

CBE/mh

EXHIBIT  
MAY 8 1990  
22  
STATE BUDGET & CONTROL BOARD

14508