

MINUTES OF
Budget and
Control Board
Meeting

November 10, 1978

MINUTES OF BUDGET AND CONTROL BOARD MEETING

NOVEMBER 10, 1978 10:25 A. M.

The Budget and Control Board met at 10:25 a.m. on November 10, 1978 in Wampee House at the Public Service Authority Facility at Wampee with the following members in attendance:

Governor James B. Edwards
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Also attending were Executive Director William T. Putnam, Governor's Administrative Assistant Walter R. Pettiss, Senate Finance Committee Staff-member Harry Johnston, Ways and Means Committee Staff-member Robert Toomey, and Donna K. Clark and William A. McInnis of the Executive Director's staff. Numerous other persons who attended the meeting are enumerated with the particular items with which they are associated.

INTRODUCTION OF NEWS MEDIA REPRESENTATIVE - Governor Edwards opened the meeting by welcoming and introducing Ms. Mary Glass of the Charleston News and Courier.

MOTOR VEHICLE MANAGEMENT COUNCIL - Motor Vehicle Management Director Allan J. Spence introduced the following Motor Vehicle Management Council members previously named by the Board, subject to the advice and consent of the Senate: Mr. L. Joseph Wolfe, appointed for a two-year term; Mr. James H. Drake, appointed for a three-year term; and Mr. E. Graves Jones, appointed for a four-year term and serving as acting chairman of the Council. Motor Vehicle Management Division Deputy for Operations Claudie A. Davis also was present.

Mr. Jones expressed the Council's appreciation for the opportunity to meet with the Budget and Control Board and he described the Council as an advisory body. He expressed the view that the recent legislation presents a great opportunity for the State to save dollars and energy. Mr. Jones then briefly reviewed the objectives of the Motor Vehicle Management Council as set forth in Section 24 of Part II of the 1978-79 Appropriation Act.

Mr. Jones pointed up a need for establishing guidelines to provide a bridge from the present situation into that envisioned by the referenced law and he expressed the view that the law could not be put into effect strictly at present because data for making the necessary decisions are not now available.

Mr. Jones urged the Board to back the Council in its desire to log every State government vehicle during every day of its use and he noted that this particular effort will require computer capability in order to develop and have available the necessary base data. Mr. Jones also noted that a decision on the question of whether or not the funds in the budgets of State agencies for motor vehicle equipment and supplies are to be transferred to the Motor Vehicle Management Division during this fiscal year needs to be made. He concluded his introductory remarks by asking that the Budget and Control Board give policy direction and guidelines on the matters of vehicle assignment and usage.

In response to Governor Edwards' request for brief background information on each of the Council members, Mr. Jones indicated that he had managed vehicle fleets for the Borden Company, the U. S. Navy, a beverage concern and now for a major textile firm; Mr. Wolfe stated that he had been an employee of South Carolina Electric and Gas for twenty-seven years, fifteen of which he has been in charge of a fleet of some 1,400 vehicles; and Mr. Drake observed that he had been with Riegel Textile Mills for thirty-four years and that he presently is maintenance supervisor for some 300 - 400 pieces of equip-

ment of various types.

Governor Edwards expressed a desire for the Council to recommend to the Board those policies necessary to comply fully with the recently-enacted law and Mr. Patterson observed that it is the Board's responsibility to establish such policies.

Mr. Jones then indicated that Director Spence has prepared recommendations along these lines which will involve revising and updating the Motor Vehicle Management Manual.

Mr. Spence then pointed out that the Board's vehicle assignment and use criteria should be revised and updated to conform with the new legislation. He identified a need to define official and unofficial vehicle use and cited the use of State-owned vehicles for commuting purposes as an area in which tighter controls would result in reduced costs and in fewer State vehicles. Mr. Spence noted that the vehicle assignment criteria adopted by the Board in September of this year are based on budget levels but that under the new law vehicle assignments are to be made totally on the basis of function except in the cases of the Governor and other State officials elected on a statewide basis who the law authorizes the assignment of vehicles on the basis of position.

Mr. Spence then recommended that vehicles be assigned to individual law enforcement officers and expressed the view that Board policy should define as official use the use for commuting purposes of any vehicles assigned to law enforcement officers. The Motor Vehicle Management Council recommended that the Budget and Control Board adopt this recommendation by Mr. Spence and, upon a motion by Mr. Morris, seconded by Representative Mangum, the Board did so.

Mr. Spence again noted that State officials elected on a statewide basis and the Governor, under the new legislation, are to be assigned vehicles on the basis of their positions. Governor Edwards expressed the view that

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these officials should be permitted to choose whatever car they may desire because voters at the next election can pass judgment on the choices made. It was pointed out that the Council subscribes to this view but that, since it is provided for in the law, no Board action is necessary.

With regard to the vehicle assignment criteria, Mr. Spence indicated that, after reexamining the new legislation and discussing its intent with representatives of the Legislative Audit Council and the Reorganization Commission, he now recommends that vehicles be assigned on the basis of functional requirements of the jobs involved and on the basis of actual, official use of such vehicles rather than on the basis of budget levels.

Messrs. Morris and Patterson questioned the necessity of changing assignment criteria while expressing the view that the present system appears to be working well.

Mr. Spence took the position that the present assignment criteria do not necessarily reflect operational needs which he equated to functional requirements. Mr. Jones indicated that it is the Council's view that Mr. Spence is correct in his interpretation of the new legislation on this point.

In the ensuing discussion on the possibility of leaving the assignment criteria as they now exist, Mr. Spence again indicated that his view after consultation with the Legislative Audit Council and the Reorganization Commission is that the intent of the new legislation requires a change to functional requirements and he again recommended that these criteria be based on official mileage with some recognition of ceremonial requirements.

In the further discussion of this matter, Mr. Morris expressed concern that the Board will have to contend with numerous exception requests if this change were to be made and Governor Edwards asked the Motor Vehicle Management Council to present definite recommendations on this point to the

Board at a future meeting.

(Secretary's Note: Senator Dennis joined the meeting at this point. Governor Edwards briefly summarized the preceding discussion and introduced the Motor Vehicle Management Council members to Senator Dennis.)

Executive Director Putnam commented on the question of legislative intent in the new motor vehicle management legislation by pointing out that that legislation calls for a compliance audit and report by the Legislative Audit Council to the General Assembly by April 1, 1979. He observed that the Audit Council necessarily would make this evaluation in light of its own understanding of the General Assembly's intent.

Mr. Morris took the position that the Budget and Control Board should develop those policies it feels are appropriate and if the General Assembly does not concur in the Board's approach then it can direct the Board to change. Senator Dennis expressed the view that the management of motor vehicles thus far has been carried out in a very acceptable manner and that any Board policy necessarily must include a degree of flexibility. He also expressed the opinion that defining functional requirements is within the discretion of the Board upon the recommendation of the Motor Vehicle Management Division Director.

Following a discussion of the vehicle assignment policies of other organizations, the Motor Vehicle Management Council was asked to make recommendations on assignment criteria to the Board at a future meeting. Governor Edwards requested that the Manual include an explicit statement on the point that the Governor and other State officials elected on a statewide basis may be assigned vehicles on the basis of their offices and that they therefore are exempted from the general assignment requirements.

On the question of vehicle use criteria, Mr. Spence pointed up a need to define official use and to require that daily logs on the use of vehicles be maintained. He indicated that consultant estimates are that personal use time

on vehicles presently assigned runs as much as ten percent. Mr. Jones observed that the Legislative Audit Council was definite in its view on this matter in that it did not consider commuting use to be official use.

Senator Dennis expressed a desire for the Budget and Control Board to lean heavily on the advice of the Motor Vehicle Management Council and Governor Edwards requested that the Council present definite recommendations on vehicle use criteria to the Board at its next meeting.

Information relating to these matters has been retained in these files and is identified as Exhibit I.

MOTOR VEHICLE MANAGEMENT - DELEGATION OF AUTHORITY - Motor Vehicle Management Division Director Spence advised the Board that Paragraph (M) of Part II, Section 24, of the 1978-79 Appropriation Act freezes all funds appropriated for motor vehicle supplies and equipment pending their release by the Budget and Control Board. He recalled also that the Board previously had authorized agencies to expend appropriated monies for vehicle supplies and miscellaneous equipment to cover normal day-to-day operations but that no funds had been released for the purchase of motor vehicles, test equipment, tools, or facility improvements pending specific approval by the Board.

Mr. Spence requested that the Board delegate to the Director of the Division of Motor Vehicle Management the authority to approve/disapprove agency requests for the purchase of motor vehicle supplies and equipment necessary to perform maintenance on State-owned vehicles.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board delegated to the Director of the Division of Motor Vehicle Management the referenced authority.

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

Executive Director Putnam, in a follow-up to Mr. Jones' reference to a need for computer capability, noted that Mr. Burr had been working with Mr. Spence in this regard. Division of State Planning Director Smith noted that other states undoubtedly have had experience in the matters under consideration by the Board relating to motor vehicle management and Mr. Spence indicated that the Audit Council had surveyed the practices of other states.

MOTOR VEHICLE MANAGEMENT - VEHICLE IDENTIFICATION EXEMPTION

REQUESTS - The Budget and Control Board agreed to consider the following requests for exemptions from the identification requirements set forth in Part II, Section 24, Paragraph (K), of the 1978-79 Appropriation Act, all of which had been recommended for approval by the Chief of the Law Enforcement Division:

(1) University of South Carolina: one vehicle. Upon a motion by Senator Dennis, seconded by Mr. Patterson, the request was granted.

(2) Probation, Parole and Pardon Board: three vehicles. Upon a motion by Mr. Patterson, seconded by Mr. Morris, the request was granted.

(3) Alcoholic Beverage Control Commission: 34 vehicles, including three for commissioners, one for the executive director, and 30 for investigating agents. In the ensuing discussion, Representative Mangum expressed concern about granting exemptions for vehicles driven by individuals other than investigating agents. Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the referenced request was approved.

Governor Edwards expressed a desire to keep the exemptions to an absolute minimum. In response, Senator Dennis indicated agreement with that concept and pointed out that the Board is acting on the requests on an individual basis.

(4) Aeronautics Commission: three vehicles. Following a brief discussion, upon a motion by Representative Mangum, seconded by Senator Dennis,

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the Budget and Control Board granted an exemption for one vehicle only.

Following a brief discussion, vehicle replacement requests by the Director of the Division of Local Government of the Budget and Control Board and by the Director of the Motor Vehicle Division of the Department of Highways and Public Transportation were carried over for further consideration.

Governor Edwards expressed appreciation to the members of the Motor Vehicle Management Council for their efforts.

STATE PLANNING DIVISION - STATUS REPORTS - Division Director P. C. Smith, accompanied by staff-members Jesse Coles, Sam Griswold and Alton Loftis, appeared before the Board to present reports on the status of efforts by his Division to establish a five-year planning procedure within the State government. Mr. Smith prefaced his report by noting that planning is essential and by noting that in the past the Board has had little time to consider basic State objectives. He noted that one objective of the five-year planning effort was to establish a staff unit within the Board to be concerned with programmatic matters fundamentally.

Mr. Smith described the first year of his Division's efforts as "largely developmental." He expressed the view that the first year response was excellent and that it had far surpassed his expectations in that every agency completed and submitted, for the first time, a five-year plan of operations. Mr. Smith described the acceptance of the planning process by State agencies as one of the most encouraging developments in the management of the affairs of State government that he has observed in some time.

Mr. Smith reported that the planning procedure is now established and that his Division will meet with agency heads on November 21 to launch the second annual cycle. He indicated that the objective is to have second year reports in by March or April as a basis for providing program and service information to the Board in April or May of 1979. He concluded his introductory

remarks by observing that the planning process is now at a point where it is beginning to become an effective part of the entire budget process. Mr. Smith then introduced Dr. Jesse Coles who in turn introduced a slide-tape presentation on the Division's planning effort.

At the conclusion of the slide-tape presentation, Mr. Smith advised the Board that his Division has taken steps to initiate the long-range planning effort by working with President Edwards and staff of Clemson University on a research project aimed at identifying trends and specific characteristics of the State's population. He indicated that the purpose of this effort is to provide a broad base of information on trends which would be followed up by specific research efforts aimed at identifying particular segments of the State's population as focal points of State services and programs.

Mr. Patterson commended Mr. Smith and his staff for their excellent report and recalled Governor Edwards' concern about the whole issue of planning early in his administration.

Governor Edwards noted that Mr. Smith's involvement in efforts to balance the budget during the first two years of his administration had prevented making the progress on the planning effort he had hoped for but he commended Mr. Smith and his staff for the progress made in the past two years. Governor Edwards also expressed a desire to see law enforcement included more prominently in the planning effort.

Mr. Smith responded by noting that much of what government does treats problems rather than the root causes and that the staff had to limit its efforts initially to the basics.

Governor Edwards expressed the view that probably the greatest benefit of the planning effort thus far has been that it has made the agencies look at themselves for the first time. He also noted that approval of the five percent reserve fund will help insure the smooth delivery of State services to meet

pressing needs.

Mr. Morris observed that Governor-elect Riley will appreciate the various management improvement programs initiated by Governor Edwards and he commended Governor Edwards for the leadership given to these efforts.

A copy of the 1979 update version of the five-year plan preparation manual distributed at the meeting has been retained in these files and is identified as Exhibit III.

EXECUTIVE DIRECTOR - PROCEDURE FOR AGENCY APPEARANCES TO PROTEST STAFF DECISIONS - Executive Director Putnam suggested that the following procedure be followed in cases in which agencies protest a decision made by Budget and Control Board staff: (1) The staff member charged with responsibility in the particular area will make his decision and advise interested agencies of that decision; (2) If any agency wishes to protest the staff decision, that protest must be in writing to the Office of Executive Director; (3) The staff member who made the decision being protested will submit a written response to the agency protest to the Executive Director who will forward the agency protest, the staff response and an executive summary of the issue to Budget and Control Board members for their evaluation; (4) If the Board decides after considering the written documents to review the staff decision, the matter will be placed on a future meeting agenda and agency representatives will be invited to appear.

In the ensuing discussion, Governor Edwards commended Mr. Putnam for presenting this recommendation, and upon a motion by Mr. Patterson, seconded by Senator Dennis, the referenced procedure suggested by Executive Director Putnam was adopted.

1979-80 BUDGET - Executive Director Putnam, accompanied by State Auditor Edgar A. Vaughn, Jr., and Budget Development Director E. C. Garvin, presented numerous 1979-80 budget matters to the Board for its consideration.

(1) Personal Service - Mr. Putnam noted that President Carter has asked that personal service increases be limited to 7% including fringe benefits. He indicated his understanding that, under President Carter's proposal, any pre-planned program such as merit increment pay is not involved. Mr. Putnam then recommended that the Board authorize setting aside sufficient funds to provide for a 6% cost-of-living pay adjustment for classified, unclassified and agency heads in 1979-80. He also recommended that funds be included for special adjustments of agency head pay in a few cases.

In the ensuing discussion, Mr. Patterson supported the 6% increase proposed by Mr. Putnam and expressed the view that it should be considered as one of the up-front priorities and Senator Dennis observed that, since teacher salary increases are built into the Education Finance Act, it is essential that State employees receive comparable consideration. He also stressed the importance of cooperating with President Carter in his efforts to control inflation.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Budget and Control Board approved setting aside sufficient funds to provide for a 6% cost-of-living increase for State employees plus 1% for related fringe benefit costs, as suggested by Mr. Putnam

Governor Edwards expressed concern about controlling the growth of State government employment and indicated a need to control that growth or the State would not be able to pay adequately the employees it already has. In response, Mr. Putnam noted that the staff is intentionally trying to limit the number of additional employees. He called attention to requests of the Departments of Mental Health and Mental Retardation to reallocate ward personnel

and indicated a desire to give those requests priority if it is concluded that they are justified. It appeared that the Board concurred in this suggestion.

Mr. Putnam also called the Board's attention to the problems associated with CETA-funded employees and urged that efforts be made to convert essential positions now funded by CETA funds to state funds as soon as practical.

(2) Cost-of-living for Retirees - Mr. Putnam noted that, after consultation with Retirement System Director Collins, Mr. Patterson and the System's consulting actuary, it had been determined that extending for one additional year the 4% cost-of-living increase in retirement benefits and funding it by increasing the System's unfunded liability does no violence to the constitutional amendment requiring the funding of any additional benefits given by any retirement system.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board agreed to provide a 4% cost-of-living adjustment in retirement benefits for one additional year and to finance it by increasing the System's unfunded liability.

(3) Equipment Replacement - Mr. Putnam advised that the State Department of Education has requested an additional \$5,000,000 for the replacement of school buses. He pointed out that most of these added costs are recurring ones which should be included in the general appropriation act. He urged that no consideration be given to issuing bonds for this purpose. He also noted that an ETV request to replace obsolete equipment is a non-recurring item which is suitable for funding by a supplemental appropriation.

Following this discussion, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board agreed to include an additional \$5,000,000 in the 1979-80 budget for bus replacement by the Department of Education.

EXECUTIVE SESSION - Executive Director Putnam announced that Board personnel matters had been proposed for consideration in Executive Session. The Budget and Control Board agreed to consider these matters in Executive Session after a lunch break whereupon Governor Edwards announced that the Board would reconvene in Executive Session for this purpose.

RATIFICATION OF EXECUTIVE SESSION ACTION - Following an Executive Session held after the lunch break, the Budget and Control Board reconvene in open session and Governor Edwards announced that since no action requiring a vote was taken there was no action to be ratified at this point.

SOCIAL SERVICES ADVISORY COMMITTEE - TITLE XX PROGRAM REVIEW - Representatives Robert Helmly, Berkeley County, and McKinley Washington, Charleston County, accompanied by Division of Administration staff-members Barbara Mosses and Annette Montgomery, appeared before the Budget and Control Board on this matter. Representative Helmly, after reviewing briefly the composition and function of the Social Services Advisory Committee, indicated that it was not his intention today to recommend a Title XX funding proposal. Instead, he expressed a desire to continue the on-going negotiations with the hope of maintaining the various Title XX programs at least at their present levels. Representative Helmly stated that the Committee did not recommend approval of the Title XX plan which anticipated a deficit and he pointed out a need for new methods of evaluating the services provided under the Title XX program. He also indicated that it is the Committee's intention to undertake a re-evaluation of these services. Representative Helmly concluded by noting that the Title XX plan currently is about \$4,000,000 out of balance and that the Committee will recommend where the cuts necessary to bring that plan into balance should be made.

Ms. Mosses distributed background materials on the composition of the Social Services Advisory Committee, the legislation creating it and on

funding allocations to state agencies over a four-year period.

Governor Edwards, noting that the Title XX plan was about \$4,000,000 out of balance when he last reviewed it, indicated that he will not sign that plan so long as it is out of balance.

Representative Washington noted that the Social Services Advisory Committee and the Budget and Control Board are working together for the first time in an effort to help deliver needed services and expressed the hope that the Committee will produce a plan which the Governor can sign.

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

STATE HOUSING AUTHORITY - HOME OWNERSHIP MORTGAGE PURCHASE PROGRAM -

Senator Allan R. Carter, Charleston County, appeared before the Budget and Control Board on this matter. Senator Carter noted that he has reviewed the legislation creating the Bond Review Committee and the State Housing Authority and has concluded that the Committee's area of responsibility is confined to considerations of full faith and credit obligations of the State. He noted also that the State Housing Authority proposal to issue bonds had been referred by the Budget and Control Board to the Bond Review Committee but that the Chairman of the Committee has indicated that his Committee is unable to meet on the matter. Senator Carter expressed the view that the Bond Review Committee had been informed and that that action is all that is required under the law.

Senator Dennis advised Senator Carter that the referral action by the Board was essentially a matter of senatorial courtesy and that his information is that the Bond Review Committee Chairman is calling a meeting of that Committee for some time next week. Senator Dennis expressed the hope that the Board would approve the Housing Authority proposal today with the provision that if the Committee chooses to vote against the proposal

the Budget and Control Board would hold a special meeting to hear the Committee's objections.

Senator Carter stressed the point that there is a matter of urgency involved in that rapid changes in the money market are taking place and he expressed the view that the State Housing Authority should be given authorization to proceed with putting its bond package together.

Following a brief discussion, Senator Dennis moved that the Budget and Control Board approve the concept involved in the proposed issuance of \$85,000,000 of State Housing Authority Bonds and authorize the Authority to proceed with its efforts to put the issue package together subject to and dependent upon the final approval by the Board after hearing comments from the Bond Review Committee.

Mr. Patterson proposed that a stipulation be included in the motion (which Senator Dennis accepted) providing that, after the presently-proposed issue, the State Housing Authority not go to the market again before July 1, 1979. State Housing Authority Chairman Hugh Lane, also in attendance, concurred in the stipulation added by Mr. Patterson.

Following a brief discussion, the motion by Senator Dennis, including the stipulation added by Mr. Patterson, was adopted by the Board.

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

(Secretary's Note: Mr. Patterson left the meeting at this point.)

MEDICAL UNIVERSITY - COMPUTER REPLACEMENT PROPOSAL - MUSC President William Knisely, accompanied by Vice President John E. Wise and staff-member Charles Robinson, appeared before the Board to present a proposal for replacing the University's present computer which Dr. Knisely described as being totally inadequate for the needs.

Mr. Robinson presented a detailed review of the current and projected computer situation at the Medical University which was concluded by a request for authorization to upgrade the present system to an IBM 3032 CPU or a plug compatible CPU. In support of this request, Mr. Robinson indicated that 3,200 existing programs would not have to be converted, that the MUSC could utilize accruals for peripheral and terminal equipment for dollar savings, that current personnel have been trained on IBM equipment and that the availability of software for IBM equipment far exceeds that of other makes.

In response to Senator Dennis' question on the proposed approach and compliance with state law, Mr. Robinson indicated that, in addition to IBM, ITEL, Amdahl or other plug compatible equipment could be bid.

Mr. Robinson also outlined considerations to be included in a request for proposals for the proposed computer replacement by noting that installation is desired by May of 1979 and by indicating a desire to limit responses to the RFP to IBM or equivalent plug compatible equipment vendors.

Mr. Robinson then reviewed proposed evaluation criteria and estimated that the equipment desired could be purchased for about \$2,965,000 or could be secured for \$67,000 per month on a lease/purchase plan. Mr. Robinson indicated also that the Medical University had had its present computer about 15 months and Dr. Knisely pointed out that MUSC had indicated at the time it was acquired that it was inadequate to do the job expected of it.

Governor Edwards noted that the Board has recently had numerous problems in computer acquisitions and urged that the request for proposal be written and the bid process be conducted in a manner which would permit a clear-cut decision to be made in the present case.

Executive Director Putnam also noted that the Board had experienced

problems in computer acquisitions and that the Board has directed him and Mr. Burr to develop specifications which eliminate subjective judgment to the maximum extent feasible and he expressed doubt that the Medical University proposal as presented by Mr. Robinson conforms to that approach. Mr. Putnam further noted that Mr. Burr had been working on this matter and that the MUSC need for more computer power is agreed upon. He also expressed concern that the presentation by Mr. Robinson appears designed to exclude all vendors other than IBM.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board acknowledged the need for and approved the purchase of a replacement computer for the Medical University on the condition that the bid specifications and the request for proposals be approved by Executive Director Putnam and Mr. Burr. The motion adopted also recommended that the funds necessary to finance this computer replacement be provided in a supplemental appropriation.

BUDGET AND CONTROL BOARD - CONTINUATION OF 1979-80 BUDGET ITEMS -

At this point, the Board continued its consideration of 1979-80 budget items as follows:

(4) MUSC - Ashley Square Rental - Executive Director Putnam noted that a distinct misunderstanding had developed between the Board and the Medical University on the question of paying for the Medical University's lease in Ashley Center. He pointed out that funding for this purpose had been put into the Division of General Services budget last year but that these funds are not included in that budget for next year. Mr. Putnam suggested that about \$450,000 be included in the recommended budget of the Medical University for this purpose and, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board agreed.

(5) Reinstatement of Tuition Grants and Day Care Funds - Mr. Putnam noted that \$450,000 had been cut from the Tuition Grants Committee budget as a part of the 5% reduction and that this action, if not remedied, would eliminate some 341 tuition grants. Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board agreed to restore this \$450,000 for higher education tuition grants.

With regard to the restoration of cuts made by the Department of Education in the day care program, amounting to \$1,005,000, upon a motion by Mr. Morris, seconded by Senator Dennis, the Board directed staff to advise the Department of Education to restore the day care funds by cutting elsewhere or that the Board would take that action itself.

(6) With regard to the several regulatory boards which are self-supporting, Mr. Putnam noted that several have asked for nominal increases. The Budget and Control Board without objection agreed that nominal increases should be granted in these cases.

(7) Upon a motion jointly made by all Board members, the Board unanimously agreed that a high priority should be given, if sufficient revenue can be identified, to the possible elimination of the sales tax on electric utilities (to produce in effect a 4% reduction in power bills) provided that no offsetting increase in other taxes would be required. The Board directed that an appropriate amendment be included in the permanent provisions portion of the bill to be prepared if this action is found feasible.

STATE HOUSING AUTHORITY - WALTERBORO PROJECT PERMANENT FINANCING -

In a resolution adopted November 1, 1977, the Board approved the acquisition, construction and plan of financing, both temporary and permanent, by the State Housing Authority for a rental project near Walterboro in Colleton County. The approved plan of temporary financing provided that the construction loan shall mature on November 21, 1978 at which time the Authority would borrow

from the United States of America Department of Agriculture, Farmers Home Administration, a sufficient sum to pay both the principal and interest then due on the construction loan.

Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board adopted a Resolution granting approval to the State Housing Authority to effect its plan of financing for the Walterboro project by issuing and delivering its \$1,387,900 South Carolina State Housing Authority Housing Development Note, Series 1978 (Walterboro Project) and entering into and executing all other loan documents required by the Farmers Home Administration.

The referenced Resolution has been retained in these files and is identified as Exhibit VI.

PERSONNEL DIVISION - REPORT OF COMMITTEE ON PAY PRACTICES - State Personnel Division Director Jack S. Mullins, accompanied by Deputy Director Joseph Mack, presented a report outlining the recommendations of an ad hoc agency head advisory committee on pay practices for State employees. Dr. Mullins noted that, while the committee did not agree on many particulars, it did agree on four broad concepts (first, a requirement for a sound pay schedule and pay plan and the means for making grade reallocations as labor market shifts occur; second, use of the major portion of personal service funding allocations to offset the erosion of purchasing power by inflation; third, the award of a relatively moderate annual service increment in recognition of years of service and additional experience; and fourth, recognition of the few truly meritorious employees through annual merit increments.)

Senator Dennis observed that the merit pay plan is not working in that agency heads appear to be giving uniform increments.

In response to Governor Edwards' query on the status of a comparison study of State employee pay and benefits with those of private industry

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requested some 18 months ago, Dr. Mullins reported that the study has been completed by the State Personnel Division and that it shows that State employees are about 6.8% below the competition in terms of wages.

Governor Edwards indicated that he had no faith in a study done by the State Personnel Division and likened it to auditing one's own books. He expressed a desire to have an outside firm undertake a study to compare South Carolina State employee salaries and fringe benefits with private salaries and fringe benefits in South Carolina. Dr. Mullins estimated that such a study would cost a minimum of \$100,000.

Following this discussion, upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board expressed general agreement with the concepts recommended by the ad hoc agency head advisory committee. The Board requested that Executive Director Putnam work with Dr. Mullins and with the ad hoc committee in an effort to pursue the concepts recommended and to keep the Board advised of this endeavor.

In addition, upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board agreed that up to \$100,000 should be made available for a study to compare State employee salaries and benefits with private sector salaries and benefits in South Carolina.

A copy of the referenced Committee report has been retained in these files and is identified as Exhibit VII.

PERSONNEL DIVISION - PROPOSED LEGISLATION, 1979-80 - The Budget and Control Board carried over consideration of a political activities bill and a nepotism bill and received as information a proposed amendment to holiday legislation designed to compensate State employees for holiday time worked.

Upon a motion by Mr. Morris, the Board agreed to recommend a proposed amendment to military leave legislation designed to clarify the number of leave of absence days which State employee members of various services are entitled

to without loss of pay.

It was pointed out that the legislative committee on perquisites apparently will assign the responsibility for developing and implementing policies in this area to the Budget and Control Board.

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

PERSONNEL DIVISION - PROPOSED POLICIES ON DUAL EMPLOYMENT AND FACULTY SUMMER COMPENSATION - Upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board approved the policy on dual employment as recommended by the Board subcommittee. The Board action provided that dual employment work covering periods of time beginning November 13, 1978 or after will be compensated under provisions of the revised policies approved by the Board at the present meeting and that such work begun before or approved before November 13, 1978 would continue to be compensated under the January 1, 1977 rules.

Upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board approved the proposed policy on summer compensation for faculty members as recommended by the Board subcommittee.

Copies of these referenced policies have been retained in these files and are collectively identified as Exhibit IX.

FUTURE MEETING - The Budget and Control Board agreed to hold its next meeting at 10:00 a.m., Monday, November 20, 1978.

COASTAL COUNCIL - MEMORANDUM OF AGREEMENT - Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board approved a Memorandum of Agreement covering numerous points relating to the responsibilities of the Board and of the Coastal Council in certain areas of the State as negotiated and recommended by the Division of General Services.

A copy of the referenced agreement has been retained in these files and is identified as Exhibit X.

COUNCIL OF ADVOCATES - DISTRIBUTION OF APPROPRIATED FUNDS -

Executive Director Putnam advised the Board that, as a result of later developments, this matter had been taken care of in accordance with previous action by the Board which had been concurred in by Senator Heyward E. McDonald's committee and that no further action is required.

LEGISLATIVE AUDIT COUNCIL - WANDO TERMINAL ECONOMIC BENEFITS

REVIEW - After considering the Legislative Audit Council review of the economic benefits of the Wando Terminal, as required by a proviso in Act 646 of 1978 relating to capital improvement bonds, upon a motion by Senator Dennis, seconded by Representative Mangum, the Budget and Control Board found, as a result of the Legislative Audit Council review of the referenced project, no reason at this time for the State Ports Authority not to proceed with the Wando Terminal project and declared that the Ports Authority is fully authorized and empowered to move ahead with the project.

A copy of the referenced Audit Council report has been retained in these files and is identified as Exhibit XI.

VARIOUS AGENCIES - ADDITIONAL POSITION AND POSITION FUNDING CHANGE

REQUESTS - The Budget and Control Board considered and acted on the following requests:

(1) The Citadel: Upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board approved the establishment of one Canteen Operator II, grade 12, position above the number authorized in the 1978-79 Appropriation Act, 80% State, 20% other funds.

(2) Advisory Board for Review of Foster Care of Children: The Budget and Control Board without objection approved the establishment of one accounting type position above the number authorized in the 1978-79

Appropriation Act, 100% State funds.

(3) Department of Social Services: Upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board approved the establishment of 33 positions (see exhibit for details) above the number authorized in the 1978-79 Appropriation Act for the MMIS program, as authorized on pages 166 and 167 in the 1978-79 Appropriation Act, on the condition that no additional Title XX funds are involved and on the further condition that Executive Director Putnam work out any additional details.

(4) Division of Administration: The Budget and Control Board without objection approved changing the source of funds on two positions (Program Director, from 100% federal to 1/3 State and 2/3 federal; and one Office Services Aide, from 100% federal to 100% State funds).

(5) Finance Division/Comptroller General's Office: The Budget and Control Board without objection approved the establishment of one Accountant and one Systems Analyst positions, both grade 29, to be assigned to the new accounting system study and financed from funds appropriated for that study.

(6) Department of Mental Health: Upon a motion by Senator Dennis, the Budget and Control Board approved the filling of six positions (see exhibit for details) at the Waccamaw and Coastal Mental Health Centers on the condition that these positions are credited against existing vacancies.

(7) Commission for the Blind: The Budget and Control Board without objection approved the establishment of two part-time VR Counselor Assistant positions, grade 13, above the number authorized in the 1978-79 Appropriation Act.

(8) Department of Corrections: The Budget and Control Board without objection approved the establishment of two Correctional Officer, grade 17, positions above the number authorized in the 1978-79 Appropriation

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Act to be paid from bond proceeds. These officers would provide security at construction sites where inmate labor is involved.

(9) Probation, Parole and Pardon Board: Upon a motion by Representative Mangum, seconded by Senator Dennis, the Budget and Control Board approved the establishment of three (of the five requested) Probation and Parole Officer I, grade 20, positions.

Information relating to these matters has been retained in these files and is collectively identified as Exhibit XII.

GRANTS AND CONTRACTS REVIEW UNIT - HUMAN AFFAIRS AND EMPLOYMENT SECURITY CETA CONTRACTS - Grants Services Administrator George F. Oliver appeared before the Board to recommend conditional approval on requests by the Human Affairs Commission and the Employment Security Commission which were not included in the package forwarded to the Joint Appropriations Review Committee initially but which were dispatched to that Committee on October 31 and November 3.

Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board granted conditional approval to the referenced programs subject to any advice or recommendations from the Joint Appropriations Review Committee.

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

GRANTS AND CONTRACTS REVIEW SUBCOMMITTEE - GRANT AND CONTRACT REQUESTS - Grants Services Administrator George F. Oliver presented the subcommittee's package of 51 projects from 27 State agencies involving \$12,399,876 of federal funds, \$417,069 of State funds, and \$698,007 of other funds for a total of \$13,514,952.

Upon a motion by Mr. Morris, the Budget and Control Board approved the recommendations of the subcommittee on the referenced 51 projects.

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

GRANTS AND CONTRACTS REVIEW SUBCOMMITTEE - CETA CONTRACTS INDIRECT COST RECOVERY POLICY - Grants Services Administrator Oliver presented a subcommittee recommendation that indirect costs equal to 8% of each CETA subcontract with a State agency be recovered by the General Fund.

Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board adopted the policy on CETA contracts indirect cost recovery, as recommended by the subcommittee.

A copy of the referenced policy has been retained in these files and is identified as Exhibit XV.

LIEUTENANT GOVERNOR'S OFFICE - FUNDS TRANSFER REQUEST - Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board approved a request by Lieutenant Governor Harvey for permission to transfer \$3,000 from classified positions to contractual services to cover the costs of completing the BETSY ROSS project.

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

DEPARTMENT OF CORRECTIONS - FUNDS TRANSFER REQUEST - The Budget and Control Board without objection approved a request by the Department of Corrections for permission to transfer \$4,697.50 from personal service, unclassified positions, to contractual services to cover the costs of temporary help.

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

FRANCIS MARION COLLEGE - FUNDS TRANSFER REQUEST - Upon a motion by Senator Dennis, seconded by Mr. Morris, the Budget and Control Board authorized Francis Marion College to transfer \$90,000 from personal services to other operating expenses.

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

GENERAL SERVICES (VARIOUS) - COPYING EQUIPMENT LEASE/PURCHASE AGREEMENTS - After first deciding to carry this matter over for further consideration, the Budget and Control Board without objection approved the following lease/purchase agreements, upon the recommendation of the Division of General Services which advised that these agreements will provide equipment currently in use by these agencies at lower costs than current lease payments and that the agreements include the safeguards necessary to protect the State in the event funds are not appropriated for these purposes in future years:

(A) Mental Retardation (Whitten Village): IBM Copier II, \$12,066.95; currently leased by agency. Lease/purchase agreement will result in cost avoidance of \$262.15 over a 4-year period and a cost avoidance of \$3,921.47 annually after the 4-year period. Monthly installments will be less than current rental cost.

(B) Educational Television: Xerox equipment, \$50,844.60. Agreement will promote a cost avoidance of \$3,972 annually. Monthly installments will be less than the current lease payments.

(C) Veterans Affairs: Xerox equipment, \$14,250. Agreement will provide a cost avoidance of \$1,044 annually and monthly installments will be less than the current lease costs.

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

DEPARTMENT OF SOCIAL SERVICES - USE OF PL 95-216 FUND BALANCE -

Upon a motion by Representative Mangum, the Budget and Control Board without objection authorized the Department of Social Services to utilize the remaining \$691,000 received under Public Law 95-216 for the purpose of decreasing the anticipated deficit in the Medicaid program.

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

ATTORNEY GENERAL'S OFFICE - CIVIL CONTINGENT FUND REQUEST -

Upon a motion by Mr. Morris, the Budget and Control Board without objection approved the payment of a bill received via Attorney General McLeod from Messrs. Regan and Williams, attorneys, for \$2,518.15 for services rendered in connection with the Malone versus Edwards, Trident Technical College, State Institution Bond test litigation case.

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

ADJUTANT GENERAL'S OFFICE - USE OF ARMORY CONSTRUCTION ACCOUNT

FUNDS - Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board approved a request by Deputy Adjutant General James Henderson for authorization to expend not more than \$25,000 from the Armory Construction Account for the purpose of providing a facility to house the Command and Control headquarters to be located at the SCARNG Training Center on the Fort Jackson reservation.

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

PERSONNEL DIVISION - INSURANCE CONTINUING ACCOUNT AND PREMIUM

PAYMENT POLICY - State Personnel Division Director Mullins, in a memorandum to the Board, advised that a fiscally sound plan to reduce significantly the funds necessary in the insurance continuing account has been devised.

Dr. Mullins indicated that a procedure involving a direct draw at the beginning of each month from the Department of Education for 1/12 of the funds held by that Department to pay for school district employer contributions has been implemented. He pointed out that this procedure will allow for a transfer of \$1.5 million to the general fund from the insurance continuing account.

Dr. Mullins proposed that the Board approve and implement an additional modification which would require the deposit in advance by each agency of about one month of the employer's health, life and long-term disability premiums. He proposed that these deposits be made with the State Personnel Division on or before December 1, 1978. If approved and implemented by the Board, Dr. Mullins indicated that this procedure would make possible the transfer of an additional \$1.5 million to the general fund from the insurance continuing account.

In the ensuing discussion, Dr. Mullins pointed out that the \$3,000,000 to be transferred to the general fund had been accumulated as a result of savings resulting from favorable rate negotiations and, to some extent, from over-estimates of the number of employees to be covered.

Following this discussion, Mr. Morris moved that the \$3,000,000 identified by Dr. Mullins be transferred to the general fund from the insurance continuing account in December of 1978. Mr. Morris later withdrew this motion and the Board approved a motion by Senator Dennis that the transfer of these funds from the insurance continuing account to the general fund be accomplished after July 1, 1979.

The Budget and Control Board without objection also approved the proposal presented by Dr. Mullins requiring a deposit of health, life and long-term disability premiums by State agencies with the State Personnel Division.

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

BUDGET AND CONTROL BOARD SPACE IN STATE HOUSE - Governor Edwards observed that some space is presently available in the Governor's Office which could be made available to the Board's Executive Director. He also suggested that the Board explore the possibility of securing for Board use the space opposite the Governor's Office now occupied by the House Judiciary Committee. Senator Dennis noted that that matter would have to be worked out with the State House Committee.

EXECUTIVE SESSION - Executive Director Putnam announced that two personal service matters, one legal matter and two membership appointments had been proposed for consideration in Executive Session. The Budget and Control Board without objection agreed to consider these matters whereupon Governor Edwards declared the meeting to be in Executive Session.

PUBLIC SERVICE AUTHORITY - Before the Board went into Executive Session, Senator Dennis proposed that the Board clarify the licensing requirements situation relating to the Public Service Authority under the recently-enacted legislation on motor vehicle management. He noted that Motor Vehicle Management Division Director Spence takes the position that Public Service Authority vehicles are covered by that legislation and that an Attorney General's opinion on the application of that legislation to the Public Service Authority, the State Ports Authority and the Public Railways Commission had been requested. Senator Dennis expressed the view that it was unnecessary for the Public Service Authority to go through the Motor Vehicle Management Division to secure license plates and suggested that the Board grant a waiver to that Authority on this point.

A brief discussion of the possible application of the referenced legislation to the three quasi-public agencies mentioned ensued at the

conclusion of which the Board agreed to consider only the Public Service Authority at this time.

Following this discussion, upon a motion by Senator Dennis, the Budget and Control Board authorized the issuance of State government license plates for Public Service Authority vehicles.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of Executive Session items, the meeting was opened and the following actions taken by the Board in Executive Session were ratified without objection:

(1) Accepted a recommendation of Hay Associates, resulting from their re-study of the situation, that point assignments to two positions at the University of South Carolina and one position at the Medical University not be changed;

(2) Authorized Governor Edwards to negotiate with the Department of Corrections for a replacement Construction Manager for that Department's capital improvements program;

(3) Authorized the Department of Corrections to use appropriated funds to indemnify Department employees William D. Leeke and Peter Them to the extent they would have been indemnified under the tort liability insurance program had that program been in effect at the time the constitutional violations alleged in Civil Action No. 74-452 occurred; and

(4) Appointed Dr. Barbara A. Feinn to the Board of Economic Advisors.

POLL AGENDA - CONSULTANT SERVICES CONTRACTS - The Budget and Control Board without objection approved the following consultant services contracts:

(1) Division of Administration: Consultant: Barton-Aschman Associates, Inc.; Maximum Dollars: \$30,900, 80% federal, 20% other; Time Period: 10/16/78 - 3/15/79; Purpose: Development of a transit capital

operating plan for Anderson, South Carolina.

(2) Division of Administration: Consultant: Osoro and Associates;
Maximum Dollars: \$138,855, 100% federal; Time Period: 1/1/78 - 9/30/79;
Purpose: To provide technical assistance and training to CETA staff due to increased size and complexity of CETA program in South Carolina.

(3) Department of Corrections: Consultant: Dr. John F. Kososki;
Maximum Dollars: \$38,400, 100% State; Time Period: 14.5 months, 11/15/78 - 1/31/80; Purpose: To continue development of Department's automated offender record and fiscal systems for effective agency planning, budgeting, tracking, reporting and controlling of its resources (financial, physical and human) and its inmates and the transactions related to each.

(4) Medical University: Consultant: Perkins & Will Architect/Planners, Inc.; Maximum Dollars: \$200,000, Plant Improvement Bond funds;
Time Period: from approval for one year; Purpose: To develop a university master plan.

(5) State Personnel Division: Consultant: David DeVries;
Maximum Dollars: \$35 per day plus expenses, maximum \$250, 100% State;
Purpose: For service as resource person for the Ad Hoc Advisory Committee on Pay Practices for State Employees.

Information relating to these matters has been retained in these files and is identified as Exhibit XXIV.

The meeting was adjourned at 5:15 p.m.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the Office of the Governor's Assistant for Public Affairs in the State House and near the Board Secretary's office in the Wade Hampton Building on November 8, 1978.]

efforts to provide representation from every geographic section of the State and a reasonable balance between the interests of corporations and individuals. The terms of the members shall be as provided for in Section 48-23-20, except that of the two additional members first appointed one shall be appointed for a term of five years and one for a term of four years.

SECTION 24

To Create Within the Budget and Control Board the Division of Motor Vehicle Management and the Motor Vehicle Management Council and Provide for Its Powers and Duties Including the Establishment of a Comprehensive Statewide Motor Vehicle Management Program.

(A) There is hereby established within the Budget and Control Board the Division of Motor Vehicle Management headed by a Director, hereafter referred to as the "State Fleet Manager", appointed by and reporting directly to the Budget and Control Board, hereafter referred to as the Board. The Board shall develop a comprehensive state Fleet Management Program. The program shall address acquisition, assignment, identification, replacement, disposal, maintenance, and operation of motor vehicles.

The Budget and Control Board shall, through their policies and regulations, seek to achieve the following objectives:

(a) to achieve maximum cost-effectiveness management of state-owned motor vehicles in support of the established missions and objectives of the agencies, boards, and commissions.

(b) to eliminate unofficial and unauthorized use of state vehicles.

(c) to minimize individual assignment of state vehicles.

(d) to eliminate the reimbursable use of personal vehicles for accomplishment of official travel when this use is more costly than use of state vehicles.

(e) to acquire motor vehicles offering optimum energy efficiency for the tasks to be performed.

(B) In order to develop proposed regulations for a comprehensive Motor Vehicle Management System, to supervise the detailed operations of the Division of Motor Vehicle Management, and to hear appeals against the enforcement of regulations promulgated by the Budget and Control Board pursuant to this section, there is hereby established a Motor Vehicle Management Council consist-



ing of three members appointed by the Budget and Control Board, with the advice and consent of the Senate. Members shall serve terms of four years, except that of those first appointed, one shall serve two years, one shall serve three years, and one for a full term. Members shall be from the private sector and possess expertise in the field of motor vehicle management. In the event of a vacancy on the Council by reason of death, resignation, removal for cause or any other reason, the vacancy shall be filled in the manner of the original appointment for the unexpired term. Two members, present and voting, shall constitute a quorum for the conducting of Council business. Council members will meet not less than quarterly, and shall be allowed the regular per diem, mileage and subsistence as provided by law for members of state boards and commissions.

(C) The duties of the Council shall consist of the following:

(a) To recommend to the Board those persons it finds qualified to act as State Fleet Manager. The Fleet Manager shall be chosen by, and shall serve the Board.

(b) To study, and make recommendations to the Board concerning the methods and procedures necessary to achieve the objectives specified in paragraph (A).

(c) To act as a hearing board for the purpose of hearing and ruling on all disputes, complaints and any other grievances lodged against the promulgation, implementation and enforcement of regulations developed pursuant to this section.

The Council is authorized to establish a hearing procedure whereby complaints lodged against the promulgation, implementation and enforcement of regulations developed under this section are disposed of in an equitable fashion.

The procedure shall provide that all grievances be submitted directly to the council, and be disposed of with or without a hearing, at the Council's discretion. The procedure shall further provide that all complaints shall be acted upon within forty-five days, and that all decisions and findings will be reported to the affected parties within twenty days of the date complaints are considered by the Council.

The procedure shall also provide that all decisions of the Council shall be appealable to the Board within ten days of notification of a final decision or finding. The Board shall act on an appeal within

forty-five days of its filing, and shall conduct such action by means of a review of the case record developed by the Council, and shall, in extra-ordinary cases only, provide the party filing the complaint with a hearing *de novo*. The Board shall report its decision within thirty days of its consideration of the appeal.

(D) For purposes of this section:

(a) "State agency" shall mean all officers, departments, boards, commissions, institutions, universities, colleges and all persons and administrative units of state government that operate motor vehicles purchased, leased or otherwise held with the use of state funds, pursuant to an appropriation, grant or encumbrance of state funds, or operated pursuant to authority granted by the State.

(b) "Board" shall mean State Budget and Control Board.

(c) "Council" shall mean the Motor Vehicle Management Council as established in paragraph (B) of this act.

(E) The Fleet Manager and the Council shall report annually to the Budget and Control Board and the General Assembly concerning the performance of each state agency in achieving the objectives enumerated in this section and include in the report any recommended changes in the law and regulations necessary to achieve these objectives.

The Board shall promulgate and enforce state policies, procedures and regulations to achieve the goals of this section and shall establish administrative penalties for violation of prescribed procedures and regulations relating to the Fleet Management Program.

(F) The Board shall establish criteria for individual assignment of motor vehicles based solely on the functional requirements of the job, which shall reduce such assignment to situations clearly cost beneficial to the State. Only the Governor and statewide elective state officials shall be provided with an automobile solely on the basis of their office. All other individuals permanently assigned with automobiles shall log all trips on a standard log form designed by the Board, specifying beginning and ending mileage and the job function performed.

(G) The Board shall develop a system of agency-managed and interagency motor pools which are, to the maximum extent possible, cost beneficial to the State. All motor pools shall operate according to rules and regulations promulgated by the Budget and Control Board. Vehicles shall be placed in motor pools rather than being individually assigned except as specifically authorized by

the Board in accordance with criteria established by the Board. The motor pool operated by the Division of General Services shall be transferred to the Division of Motor Vehicle Management. Agencies utilizing motor pool vehicles shall utilize trip log forms designed by the Board for each trip, specifying beginning and ending mileage and the job function performed.

The provisions of this paragraph shall not apply to school buses and service vehicles.

(H) The Board in consultation with the agencies operating maintenance facilities shall study the cost-effectiveness of such facilities versus commercial alternatives and shall develop a plan for maximally cost-effective vehicle maintenance. The Budget and Control Board shall promulgate rules and regulations governing vehicle maintenance to effectuate the plan.

The State Vehicle Maintenance program shall include:

- (a) central purchasing of supplies and parts;
- (b) an effective inventory control system;
- (c) a uniform work order and record-keeping system assigning actual maintenance cost to each vehicle; and
- (d) preventive maintenance programs for all types of vehicles.

All motor fuels shall be purchased from state facilities except in cases where such purchase is impossible or not cost beneficial to the State.

All fuels, lubricants, parts and maintenance costs including those purchased from commercial vendors shall be charged to a state credit card bearing the license plate number of the vehicle serviced and the bill shall include the mileage on the odometer of the vehicle at the time of service.

(I) The Division shall develop and implement a uniform cost accounting and reporting system to ascertain the cost per mile of each motor vehicle used by the State. Beginning no later than July 1, 1979, all expenditures on a vehicle except unavoidable emergency purchases shall be paid for by the use of state credit cards and billed directly to the Division. The Division shall bill the appropriate agency monthly through an interdepartmental transfer. All costs not paid by state credit cards shall be billed to the Division and paid through an interdepartmental transfer or receipts for the emergency purchases shall be sent to the Board with reasons for the emergency purchase for his approval prior to reimbursing the in-

dividual involved. This cost data shall be kept on a per vehicle basis for analysis of cost per mile of operation. The Division may authorize any agency to develop a comparable cost accounting system and to pay its bills directly. Agencies operating separate cost accounting systems shall be audited by the Division for the accuracy and completeness of their per vehicle cost data.

(J) The Budget and Control Board shall purchase, acquire, transfer, replace and dispose of all motor vehicles on the basis of maximum cost-effectiveness and lowest anticipated total life cycle costs. All state motor vehicles shall be titled to the State. All such titles shall be received by and remain in the possession of the Division of Motor Vehicle Management pending sale or disposal of the vehicle.

Titles to school buses and service vehicles operated by the State Department of Education and vehicles operated by the South Carolina Department of Highways and Public Transportation shall be retained by those agencies.

(K) The Board shall ensure that all state-owned motor vehicles are identified as such through the use of permanent state government license plates, state seal decals, or agency decals. No vehicles shall be exempt from the requirements for identification except those exempted by the Board.

This paragraph shall not apply to vehicles supplied to law enforcement officers when, in the opinion of the Board after consulting with the Chief of the State Law Enforcement Division, those officers are actually involved in undercover law enforcement work to the extent that the actual investigation of criminal cases or the investigators physical well-being would be jeopardized if they were identified. The Board is authorized to exempt vehicles carrying human service agency clients in those instances in which the privacy of the client would clearly and necessarily be impaired.

(L) The Legislative Audit Council shall audit compliance by the Division of Motor Vehicle Management and the agencies with this section and publish its findings no later than April 1, 1979, and again by April 1, 1980.

(M) Notwithstanding other provisions in this act, all money appropriated for motor vehicle supplies and equipment is hereby frozen and shall be released only upon approval of the Budget and Control Board.

(N) The provisions of this section shall not apply to school buses and service vehicles operated by the State Department of Education.

EXHIBIT I
11/10/78

2. Assignment Criteria. In previous years, the assignment of state-owned vehicles has been predicted upon the size of an agency's budget and/or, in the case of certain commissioners and college presidents, their position. It was recommended to, and approved by, the State Budget and Control Board (SB&CB) that the above criteria remain in effect during the current model year 1978-79. As an example, the Class II vehicle, a Chrysler Newport, is designated as the vehicle for assignment to eligible heads of state agencies, boards and commissioners administering annual budgets in excess of 25million dollars excluding capital improvement funds and presidents of state supported colleges and universities. Full time commissioners (ABC, Employment Security, Industrial, Public Service and Tax Commission) are also to receive this type of vehicle.

A careful review of Section 24, Part II, permanent provisions of the General Appropriation Act for 1978-79 (Act) indicates that this is not within the instructions as provided in the Act as referenced above. Specifically, paragraph (F) of the Act states in part, "The Board shall establish criteria for individual assignment of motor vehicles based solely on the functional requirements of the job, which shall reduce such assignments to situations clearly cost beneficial to the State. Only the Governor and state-wide elected state officials shall be provided with an automobile solely on the basis of their office." This paragraph further requires a trip log, designed by the Board, be kept on all other vehicles.

One could argue that the "functional requirements of the job" referred to above could mean a larger, more prestigious car for senior/larger agency directors regardless of official mileage considerations. However, this does not appear to be the case when the term "functional requirements of the job" is used within the context of the existing Act. The Legislative Audit Council report concerning the assignment and use of state-owned vehicles also concluded that "mileage driven rather than position in government should be the criteria" and that "job requirements should be the deciding factor in determining what type of vehicles should be used by the employee." (Page 19 of Audit report) Since the Audit Council will be auditing compliance with the Act and publish its findings no

later than April 1, 1978, it appears that their interpretation is the correct one.

Recommendations. Since the assignment criteria previously approved was directly related to the size of an agency's budget or job assignment, it is recommended that the existing assignment criteria be modified as indicated below:

1. No Class II cars be purchased for assignment to agency directors. This unit was originally recommended in order to provide a more prestigious car for the more senior state employees.
2. That the present Class III car, a full-size Chevrolet Impala, be purchased for assignment to eligible employees who drive in excess of 2,500 official miles per month.
3. That the present Class IV car, an intermediate size Dodge Diplomat, be purchased for assignment to eligible employees who drive 2,000 official miles per month.
4. That the present Class V car, a compact size AMC Concord, be purchased for assignment to eligible employees who drive 1,200 miles per month and as a general pool vehicle.
5. That agencies who are authorized to operate motor pools be permitted to purchase up to 25% Class IV cars in order that a larger car will be available for long trips.
6. That the assignment recommended above be based strictly on official miles traveled which excludes commuting mileage. The assignment should be made without regard to personalities or position.
7. That no free personal use be allowed since this would be considered a salary supplement which is not allowed by current regulations.
8. That this does not pertain to full time law enforcement officers.

3. Vehicle Use Criteria. In previous years, a large percentage of employees assigned state-owned vehicles on a permanent basis have felt that this assignment was also approval to commute in their vehicle. This is especially true in the case of agency directors and full time commissioners.

The Legislative Audit Council report regarding management of state-owned vehicles stated that "commuting free of charge in a state-owned vehicle is a special privilege regardless of whether it is for the regular work shift or for on-call assignment. Use of a state car for commuting, driving to lunch or other personal business allows some state employees to receive disproportionately higher compensation than those employees who must provide their own transportation. Any such salary supplement is in violation of Section 129 of the FY 77-78 Appropriation Act (Section 133 of the FY 78-79 Act). Since the U.S. Internal Revenue Service considers commuting to be a personal expense, free use of a state car for personal transportation is considered to be taxable income." The Audit Council estimates that this commuting and personal use cost the State over \$450,000 per year. (Page 25 of Audit Council report)

In order to justify commuting, the term "on call" is frequently used as justification to commute in a vehicle. In most cases, permission is granted without consideration to actual urgency or frequency of call in.

Recommendation. That the SB&CB establish a policy that no state employee is to commute in a state-owned vehicle unless approved by the Fleet Manager after an evaluation indicates that such commuting is cost beneficial to the State. If commuting is allowed, a fee based on the cost per mile of operating the state vehicle (Page 30-32, Audit Council report). This is to take effect immediately and will pertain to all employees regardless of job assignment or position.

That this does not pertain to full time law enforcement officers.

EXHIBIT II
11/10/78



STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF MOTOR VEHICLE MANAGEMENT
P. O. BOX 633
COLUMBIA, S.C. 29202

ALLAN J. SPENCE
DIRECTOR
PHONE (803) 758-7818

STATE BUDGET AND CONTROL BOARD
Agenda Items
~~October 31, 1978~~
November 10,

Mr. Allan J. Spence, Director, Division of Motor Vehicle Management (DMVM), request permission to appear before the State Budget and Control Board (SB&CB) regarding the below listed items:

1. It is requested that SB&CB delegate to the Director, DMVM, permission to approve/disapprove agency requests for the purchase of motor vehicle supplies and equipment necessary to perform maintenance on State-owned vehicles. Action will be taken only after an evaluation of the agency's need and the overall comprehensive State Fleet Management Program mandated by Section 24, Part II, of the General Appropriation Act, 1978-79.

Discussion: Paragraph M of the aforementioned Act states "Notwithstanding other provisions in this Act, all money appropriated for motor vehicle supplies and equipment is hereby frozen and shall be released only upon approval of the Budget and Control Board." With SB&CB approval, further guidelines were issued to all agencies on July 26, 1978, to cover normal day-to-day operations. Please refer to enclosure (1).

Since this time, DMVM has received numerous requests to purchase tools and equipment necessary to maintain the agency's fleet. Some requests are for replacement items, while others are for new items. This action is felt necessary in order to cut down on the administrative burden of both the agencies and the SB&CB and to provide the necessary tools, equipment and supplies for maintenance and upkeep on State-owned motor vehicles.



STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF MOTOR VEHICLE MANAGEMENT
P. O. BOX 633
COLUMBIA, S.C. 29202

ALLAN J. SPENCE
DIRECTOR
PHONE (803) 758-7816

JUL 26 1978

TO: ALL AGENCY DIRECTORS

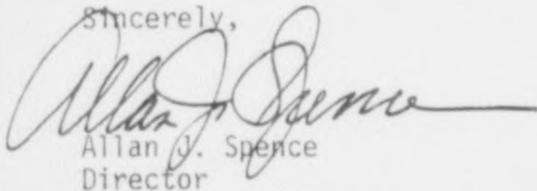
1. Your attention is invited to Part II, Section 25 of the State Appropriation Bill pertaining to the creation of the Division of Motor Vehicle Management within the State Budget and Control Board (SB&CB). As indicated, paragraph M of this Act freezes all money appropriated for motor vehicle supplies and equipment. In order to allow for essential purchases, the SB&CB has authorized the following policy to be used by your agency until further guidelines are established:

Agencies are authorized to expend appropriated monies for vehicle supplies and miscellaneous equipment to cover normal day-to-day operations. No funds may be expended for the purchase of motor vehicles, test equipment, tools, facility improvements unless specific approval is granted by the SB&CB. Should questions arise not clear in these instructions, correspondence should be directed to:

State Budget and Control Board
Division of Motor Vehicle Management
P. O. Box 633
Columbia, South Carolina 29202
Phone: 758-7816

2. If I can assist in any way, please advise.

Sincerely,


Allan J. Spence
Director

AJS:lsw

ENCLOSURE (1)

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

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

EXHIBIT III
11/10/78

STATE OF
SOUTH CAROLINA
1979 - 1984



FIVE YEAR PLAN
PREPARATION MANUAL

1979 UPDATE

THE STATE BUDGET & CONTROL BOARD
DIVISION OF STATE PLANNING



State of South Carolina

JAMES B. EDWARDS
GOVERNOR

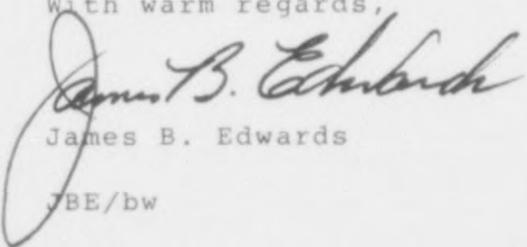
OFFICE OF THE GOVERNOR
POST OFFICE BOX 11450
COLUMBIA 29211

November 21, 1978

I am pleased to introduce to you the second year of South Carolina's five-year planning effort. For many years we have tended to concentrate our attention on the important area of the annual budgeting and resource allocation process. While this has resulted in the development of many fine programs and services, it has also limited our ability to forecast the long-range implications of relatively short-term decisions. Programs, services, and the needs of the people of our State, however, do not tend to categorize themselves neatly into annual segments. They require a longer range commitment of planning and resources to assure they are efficiently and effectively addressed. For these reasons, the five-year planning process was developed and initiated last year.

This represents the first updating of that process. Some substantial improvements have been made, not the least of which has been the move to interface the planning process with the budgeting process on a programmatic basis. This developmental effort represents a substantial improvement in the ability of the State to reach effective and meaningful policy decisions. With the coordination between planning and budgeting which will take place this year, the State will be able to focus its efforts in a significant fashion for the South Carolina of the future.

With warm regards,


James B. Edwards

JBE/bw



STATE OF SOUTH CAROLINA

OFFICE OF STATE PLANNING

P. O. BOX 11333

COLUMBIA

29211

P. C. SMITH
DIRECTOR

TELEPHONE
(803) 758-3106

November 21, 1978

TO: Heads of All State Agencies

Re: Five-Year Planning

Almost a full year has now elapsed since Five-Year Planning was inaugurated in December 1977.

The first year's effort was primarily developmental in nature, but immediate benefits were nevertheless to be noted. The introduction of a service-oriented, programmatic concept of presentation of agency operation has already become rather accepted as a more effective and meaningful management procedure, and has been carried over to the budgeting process. It appears rather obvious now that we will reach a point of development in the second year that Five-Year Planning will begin having impact on major management decisions.

The changes introduced in the process for this year have been made primarily to improve the information included in agency plans and to better synchronize the planning process with the budgeting process along programmatic lines. These alterations should enable us to focus on the programs and services of State Government more effectively while, at the same time, placing plan information in a more realistic fiscal framework.

State planning cannot proceed far without the direct support and involvement of those who must actually produce and implement the plans - the agencies of the State. We therefore welcome your comments and suggestions and appreciate your participation as we move forward in this joint effort.

Sincerely,

A handwritten signature in dark ink, appearing to read "P. C. Smith", written over a horizontal line.

P. C. Smith, Director
State Planning Division

PCS:cm

INTRODUCTION

1. In 1977, the South Carolina Budget and Control Board formally directed the Division of State Planning to institute a continuing five-year planning procedure among all state agencies. Additionally, the 1978 Session of the General Assembly of South Carolina passed an act (R794, H3678) providing for a revision "of the structure of the annual state budget so as to present a format which clearly delineates each agency's and institution's programs, their sources of revenue, the associated program objectives, the total program costs and program effectiveness measurements." Since the planning process developed by the Division of State Planning utilizes the concepts of program budgeting, the new legislation effectually provides for a merging of the planning and budgetary processes.
2. The purpose of this manual is to facilitate the first annual updating of the statewide comprehensive planning effort. Changes in the forms and procedures used in developing last year's plans have been kept at a minimum, and it is hoped that this workbook will provide a simple, straightforward format which will accommodate a diversity of agencies. The most significant changes for most agencies will have to do with their program structures, which should be identical to the program structures used in preparing the 1979-80 budget request. However, because of the synchronizing of planning and budgeting, the development of information for the five-year plan should be simplified. As explained later in specific instructions, most of the required plan data for 1978-79 and 1979-80 can be extracted from the current budget request document for each agency.

3. Unless this manual specifically instructs otherwise, the plan must coincide precisely with the 1979-80 budget request for each agency, both in terms of programmatic structure and dollar amounts. In like manner, plan projections for future years should be realistic indicators of what the agency expects its budget requests to be for those years.

4. This workbook has six sections with instructions for each section of the plan. With the exception of Section I, the sections are sequential, with each one building on the previous sections. The first section affords an opportunity for each agency to provide a narrative preamble. The remaining sections are to be used in developing a mission statement, program plans, a budget summary, program abstracts, and, if desired, an appendix for displaying supportive and clarifying information. All completed materials should be inserted directly into the plan in the appropriate sections.

5. To meet the deadline established by the Budget and Control Board for generating reports based on plan data, the work schedule shown below has been established. For appropriate use of the data in the state's planning and budgeting processes, it is mandatory that all information be ready for computer processing by January 15, 1979. Your cooperation in submitting a complete plan by that date will be sincerely appreciated.

6.

SCHEDULE

<u>DATES</u>	<u>ACTIVITY</u>
November 21	Meeting with agencies to initiate annual updating of five-year plans
November 21 - January 15	Updating of five-year plans by agencies
January 15	Updated plans due in Division of State Planning

7. Upon request, the staff of the State Planning Division will assist agencies in resolving problems that may arise during the development of agency plans. It is recognized that the common format and instructions provided in this workbook may not cover all of the unique characteristics of the many agencies of State Government. We will welcome the opportunity to work with such agencies to resolve these problems in a manner that accurately shows agency needs and plans while complying with the requirement to obtain comparable statewide information. Please direct inquiries to:

Dr. Alton T. Loftis	758-7198
Dr. J. Samuel Griswold	758-7198
Dr. Jesse A. Coles, Jr.	758-8608

Division of State Planning
P. O. Box 11333
Columbia, South Carolina 29211

8. Three copies of the completed State Plan are due from each agency by January 15, 1979. Post-Secondary institutions should submit one additional copy directly to the Commission on Higher Education by the same date. If possible, agencies and institutions are encouraged to submit completed plans prior to the due date to aid in processing.

SECTION I

PREAMBLE

The purpose of the preamble is to provide an opportunity for each agency to introduce its five-year plan in a manner and setting determined by the agency. Accordingly, no specific format is recommended for this section. The preamble should be typed on letter size paper and inserted in the appropriate section of the plan.

Since the preamble will serve as an introductory statement or letter of transmittal, most agencies will develop this section last.

MISSION

SECTION II

AGENCY MISSION STATEMENT

1. The purpose of the agency mission statement is to identify each agency's areas of responsibility, the authority basis for those responsibilities and the agency's program structure designed to respond to each area of responsibility. Two subsections are requested. The first asks that the agency provide a narrative statement of overall mission or purpose. The second asks for a listing of agency responsibilities, authority, and associated programs.

Subsection A - Mission or Purpose

2. This subsection requests a narrative statement of the agency's purpose. It should address the broad question of why the agency exists. The agency mission statement should be typed on the page provided. If additional space is needed, add additional letter size pages.

Subsection B - Program Analysis

3. On the form provided, please list each agency responsibility, source of authority and associated program. Agencies with subprograms or elements should contact the Division of State Planning for further instructions. Please duplicate Form II B as needed.

4. Responsibility - The purpose of information requested in this column is to determine the major areas of responsibility, as interpreted by the agency, toward which its efforts and resources are directed. Accordingly, the agency should not quote lengthy statements directly from the authority source but is requested to select key phrases or paraphrase.
5. Authority - The column requesting source of authority seeks to identify the legal basis for each responsibility. It may arise from the Constitution, Statutes, Governor's Executive Order, Court Order, Agency Board Directive, Agency Head discretionary authority or other specified sources. Please do not quote lengthy legal citations. It will be sufficient to 1) list the primary authority source (i.e.: Code of Laws) 2) note the specific locator (i.e.: Article ____, Section ____).
6. Agency programs expressed on Form II B must coincide with those expressed in the agency's 1979-80 budget request as recommended by the Budget and Control Board. NOTE: Agencies with subprograms or elements expressed in the budget request should contact the Division of State Planning for further instructions.

AGENCY CODE: _____

AGENCY: _____

FORM II A
MISSION STATEMENT

AGENCY CODE: _____

FORM II B

Rev 10/2/78

AGENCY: _____

PROGRAM ANALYSIS

RESPONSIBILITY

AUTHORITY

PROGRAM

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PROGRAM PLANS

SECTION III

PROGRAM PLANS

1. The purpose of this section is to obtain a five-year plan for each program identified in Section II and for proposed new programs. Each agency is being requested to project current operations, identify current program deficiencies, project changing service conditions over a five-year period, propose attainable annual objectives and project resource needs based on "best available information" at this point in time. Assumptions based on current information may prove false in the future and will necessarily mandate later program changes. The annual updating of agency plans will allow for such adjustments.

General Instructions

2. The Five Year Plans are designed and intended to synchronize with the State budgeting process. Consequently, the programs and subprograms presented in the plan should correspond identically with those displayed in each agency's 1979-80 budget request. If the agency anticipates terminating a program in any year after FY 1979-80, such should be noted in the program narrative and cost projections will be eliminated in succeeding fiscal years.
3. Where agencies have chosen to display subprograms or elements in their 1979-80 budget request, such will also be displayed in the Five Year Plans. All information for the various subprograms or elements should be displayed on the various forms and identified by title and program

code. Agencies displaying subprograms or elements should contact the Division of State Planning for further instructions.

4. The 1978-79 current operating budget will be used as the first year in the development of the Plan.
5. The 1979-80 budget as recommended by the Budget and Control Board to the General Assembly will be used as the source of budget information for the second year contained in the Plan. Second year budgets (less cost of living salary increases and associated fringes in the State funds column) must balance to this recommended budget.
6. For FY 1978-79 and FY 1979-80, only forms III and III A will be completed. Do not complete those forms associated with form series III B, III C, or III D for these two years.
7. Planning and budgeting are closely related processes. These detailed planning instructions have accordingly adhered to established definitions and terminology currently used in the development of annual budget requests. Consequently, procedures associated with the development and presentation of projected budgets included in the plan should conform to those contained in the "1979-80 Budget Preparation Manual" as published by the Budget and Control Board unless otherwise stated.
8. In projecting the various program costs over the five years, consideration should be given to cost increases due to inflation. The intent of including increases due to inflation is to provide an assessment which is as realistic as possible in the portrayal of costs necessary to maintain program activities at the same operating level. Agencies should rely on

their experience, expressed as accurately as possible, in determining the amount of inflationary increase to be incorporated in specific program costs. The Division of Research and Statistics has indicated that the overall costs for state and local governmental purchases of goods and services are expected to inflate at the rates displayed on the enclosed rate sheet. Agencies may use these rates if they can appropriately be applied to the program costs. Utilization of inflationary rates substantially higher than that of the general economy for specific, identifiable expenditure items within a program should be supported by significant justification (which need not be incorporated in the plan but should be available).

NOTE: Costs associated with personal services, fringe benefits, and salary increases should not be increased in this manner but projected using other techniques described in these instructions.

9. Capital expenditures or projected capital outlays should not be included in the Five Year Plan budget projections. All cost figures should represent operational costs only. Increases in operational costs associated with projected capital outlays should be included. NOTE: Agencies are expected to coordinate operational budgets projected in this plan with capital improvement plans which currently have assured funding.
10. Only the forms needed should be included in the agency's plan. If a program has no deficiencies, for example, the III B series of forms may be omitted. Each program will have the forms III and III A completed as a minimum unless it is a new program, in which case only the III D series of forms will be used.

11. All budget figures used on the various forms should be rounded to the nearest dollar. Negative numbers should be preceded by a minus sign and not placed in parentheses.

Instructions for Expenditure Items

12. AGENCY CODE: Enter the three-digit alpha-numeric budget code that has been assigned to the agency.
13. AGENCY: Enter the name of the agency.
14. PROGRAM CODE: Enter the eight-digit program code assigned to the program as reflected in column two of Form 80-1 in the budget request.
15. PROGRAM TITLE: Enter the title of the program as reflected in the budget request on Form 80-1.
16. PERSONAL SERVICE: Enter the total amount for personal service, including Compensation Plan (Merit) Increments, in a manner similar to that used for FY 1979-80 on Budget Form 80-1. NOTE: This represents a change from the prior Five Year Plan when Compensation Plan (Merit) Increments were included in the line item of Salary Increases. In projecting Compensation Plan Increments, it should be assumed that employees will receive an average increment at the time of their performance evaluation as displayed on the enclosed rate sheet.
17. NUMBER OF POSITIONS: In each column reflecting the source (State, Federal, Other) of funds, enter the number of positions funded by that source. Budget Form 80-10 will be of assistance in this effort.
NOTE: Do not duplicate the count of positions by source of funds. Where

positions are funded from multiple fund sources, they should be prorated based upon the proportion each fund source bears to the total cost. This proration method should be used thus to reflect the number of full-time annual equivalent positions associated with the fund source. The total from all fund sources should represent the total full-time annual equivalent positions associated with the program. Colleges and universities should use the full-time equivalent determination process as used in preparation of the FY 1979-80 budget. Fractions of a position should be rounded to the nearest tenth.

18. COST OF LIVING SALARY INCREASES: ONLY the annual cost of living salary increases and associated employer contributions should be entered here. Compensation Plan (Merit) Increments should not be reflected in this item but in the item "Personal Service." For each fiscal year, the amount attributable to salaries (total less associated employer contributions) in this item should be carried forward and added to the amount for "Personal Service" in the next succeeding year. For projection purposes, it should be assumed that cost of living increases for FY 1979-80 and all subsequent years will be as reflected on the enclosed rate sheet. NOTE: This item will not be completed for the base year 1978-79. Salary increases for FY 1978-79 should be incorporated in the item "Personal Service" as is done in the Budget Form 80-1.

19. OTHER OPERATING EXPENSES: Enter the amount of "Total Operating Expenses" as is reflected on Budget Form 80-1. Exceptions to this are noted in the remaining instructions.

20. AID TO SUBDIVISIONS: This item is designed to capture the "flow through" funds which come from various sources to the state agency and are subsequently allocated to the local level. All 1800 level disbursements (1810, 1811, 1820, 1821, 1830, 1840, and 1850) as reflected in the "Classification and Codes 1978-79" manual published by the Comptroller General, State Treasurer and State Auditor will be included. In addition, code categories 1710, 1711, 1720, 1721, 1730, 1740, and 1760 will be included in this item.
21. SPECIAL ITEMS: Enter the total amounts for "Special Items" as defined in the "1979-80 Budget Preparation Manual" less those included in the item "Aid to Subdivisions" as defined above.
22. DEBT SERVICE: Enter appropriate amounts as instructed by the "1979-80 Budget Preparation Manual."
23. PERMANENT IMPROVEMENTS: Enter appropriate amounts as instructed by the "1979-80 Budget Preparation Manual."
24. EMPLOYER CONTRIBUTIONS: Enter the amounts for employer contributions in the manner prescribed for Budget Form 80-1. Use the enclosed sheet of cost factors to project these costs. Employer contributions associated with cost of living salary increases for the year should be reflected in the item "Cost of Living Salary Increases" and not in this item.
25. SUB-TOTAL: This represents the operational budget of the program.
26. ALLOTMENTS TO OTHER STATE AGENCIES: This item should include all funds transferred to other State agencies and which are not retained in the agency for its operation. Disbursement codes 1602 and 1750 should be entered in this item; however, transfers to other agencies (such as General

Services) for purchases of services to support internal operations (e.g., computer services, state printing, rent, etc.) should not be included here but in "Other Operating Expenses." Only funds transferred to other State agencies for their operational use should be reported here.

27. TOTAL: Self explanatory.

Program Plans

28. On Form III, describe the program in terms of the following categories:

- a. Overall purpose or goal of the program.
- b. Program objectives in terms of quantifiable achievements expected of the program at its current operational level.
- c. Description of program activities focusing upon functions performed toward achievement of the objectives.
- d. Brief description of clientele served by the program.
- e. A list of the assumptions used in planning for the program and projecting it into the future. (e.g., Growth in client population, change in per capita income, change in incidence of various characteristics of the client population, etc.)

29. Form III A has been revised to project the base budget and current program level over the five-year period at the program level. The first year (FY 1978-79) should reflect the current total operating budget. The second year (FY 1979-80) should display the total funds for each program as recommended by the Budget and Control Board to the General Assembly. Subsequent years should then be projected from this base. Form III A should be projected in terms of maintenance of the current operating level of the program. Cost increases associated with serving increased numbers of clientele, improving the quality of services, increasing the range of services, etc., should be displayed elsewhere as program deficiencies or growth. Projections on Form III A are designed to portray static program operations at the 1979-80 operating level as recommended by the Budget and Control Board. Projections should only reflect inflationary costs and salary increases associated with the maintenance of the current operating level.

30. Form III B1 is a brief description of program deficiencies which the agency hopes to overcome. Deficiencies should be expressed in quantitative terms as far as is feasible. Deficiencies may be defined as inadequacies in a current program which adversely affect the quality of services delivered or inhibit an agency's ability to meet the demand for services. In most instances deficiencies should be defined in terms of deviations from accepted or recognized standards of operation associated with such programs. An example of a deficiency might be the difference between a recognized standard of 1 worker per 100 clients (or cases) and the current agency ratio of 1 worker per 175 clients (or cases). Another example might be a deviation from an internally or externally developed

mandate or goal (e.g., State law mandates free textbooks for school children but current funding only allows the achievement of 75% of this goal). NOTE: Do not include deficiencies in the five-year plan which the agency does not intend to include in its budget requests. Deficiencies are reflected as part of the "Program Improvements" section of the Budget Form 80-1.

31. Form III B2 is to reflect the plans of the agency for overcoming the various deficiencies identified. Since it is seldom the case that deficiencies can be completely eliminated within the course of one year, Form III B2 should reflect realistic annual objectives and a brief description of associated strategies for achieving those objectives.
32. Form III B3 is to reflect the increases (or decreases) that would be necessary to add to the agency's base budget and its projection to accomplish the objectives listed on Form III B2. NOTE: Proposed increases (or decreases) to accomplish deficiency objectives (Form III B2) should be projected through the five-year period on Form III B3 only and not added to the base budget for use in projecting it over the five-year period on Form III A. These two forms are separate and discrete projections.
33. Form III C1 requests that the agency list the assumptions it uses concerning changing service conditions during the next five years. Assumptions concerning such things as increasing or decreasing numbers of clients, changes in number of units processed, etc. should be stated. A brief description of program growth or expansion required to meet these changing conditions should be provided. The III C series of forms is

designed to express expansions or modifications which are necessary to accommodate such things as real growth in clientele, changing eligibility requirements, increased or decreased parameters of authority requiring expansion or reduction of program activity, etc. NOTE: Growth in clientele should not be confused with program deficiencies due to the inability to serve identified clientele adequately. A waiting list of identified clients which the agency is unable to service adequately would be defined as a program deficiency. Real growth in the actual number of clients in the population of the State would be defined as program growth. An example of a deficiency might be the difference between a current classroom ratio of 1 teacher to 30 students compared to an optimum ratio of 1 teacher to 20 students. In the same context, program growth would be a projected increase in the actual number of students in the population which must be served.

34. Form III C2 provides for a statement of the annual objectives designed to accommodate program growth and a narrative statement of the strategies the agency intends to employ toward their achievement. This form is to be completed in a manner similar to that used for Form III B2 (associated with deficiencies).

35. Form III C3 displays the projected budget increases or decreases required to achieve the annual objectives on Form III C2. Procedures similar to those employed on Form III B3 should be used in completing this form. In most cases, increases due to program growth will be reflected in the Program Improvements section of Budget Form 80-1.

36. Forms III D1, III D2, and III D3 are designed for use only when an agency is proposing to add a new program. A new program may be proposed by an agency for various reasons which may include changing client needs, changes in agency policy, changes in agency authority or responsibility, major changes in the agency's approach to fulfilling its function, etc. If the agency is proposing a new program, only the D series of forms are to be completed for the program. The A, B, and C series of forms should not be completed for the new program.

NOTE: New programs would not be a part of the Program Improvements section of Budget Form 80-1 but would be reflected on a new Form 80-1 added to the budget request. Except as instructed on the forms, the D series of forms should be completed in a manner similar to that used for the B (deficiencies) and C (program growth) series of forms. If an agency does not propose a new program, the D series of forms need not be included in the Five Year Plan.

PROJECTED COST FACTORS FOR ESTIMATING
FRINGE BENEFITS, SALARY INCREASES, AND INFLATION

10/78

CALENDAR YEAR		1980	1981	1982	1983	1984
Social Security	Salary Base	25,900	29,700	31,800	33,900	36,000
	Rate	.0613	.0665	.0670	.0670	.0670
FISCAL YEAR		1979-80	1980-81	1981-82	1982-83	1983-84
Retirement - State System						
Retirement		.068	.068	.068	.068	.068
Group Insurance		.003	.003	.003	.003	.003
Workman's Compensation		.002	.002	.002	.002	.002
Unemployment Compensation Insurance		.004	.004	.004	.004	.004
Health Insurance - Per State Employee		334	374	464	520	582
Retirement - Police System						
Retirement		.100	.100	.100	.100	.100
Group Life Insurance		.0055	.0055	.0055	.0055	.0055
Accidental Death		.0035	.0035	.0035	.0035	.0035
Cost of Living Salary Increments		.050	.050	.050	.050	.050
Compensation Plan (Merit) Increments		.050	.050	.050	.050	.050
Government Purchase Inflation Factor		.0705	.0663	.0616	.0600	.0600

AGENCY CODE: _____

FORM III

PROGRAM DESCRIPTION
for

PROGRAM CODE: _/ _/ _/ _

AGENCY: _____

Program Title

AGENCY CODE: _____

FORM III B1

AGENCY: _____

CURRENT PROGRAM DEFICIENCIES
for

PROGRAM CODE: __/__/__/_

Program Title

- I. Deficiency: List current program deficiencies in quantitative terms (i.e.: number of clients or units served vs. the number needing service) and/or qualitative terms (i.e.: current services provided vs. the service level deemed appropriate by the agency).

AGENCY CODE: _____

FORM III B2

AGENCY: _____

ANNUAL PLAN FOR ADDRESSING
PROGRAM DEFICIENCIES
for

PROGRAM CODE: ___/___/___

Program Title

For the deficiencies listed on Form III B1, provide an annual breakdown by objective and strategy.

ANNUAL OBJECTIVE	ANNUAL STRATEGY
1980-81	
1981-82	
1982-83	
1983-84	

AGENCY CODE: _____

FORM III C1

AGENCY: _____

PROJECTED PROGRAM GROWTH
for

PROGRAM CODE: __/__/__/_

Program Title

- I. Future Service Conditions: List the assumptions your agency makes concerning changing service conditions during the next five years (i.e.: change in number of service units, clients, etc.) and briefly describe any proposed program growth or expansion required to meet requirements of these changing service conditions.

AGENCY CODE: _____

FORM III C2

AGENCY: _____ ANNUAL PLAN FOR PROJECTED PROGRAM GROWTH
for

PROGRAM CODE: ___/___/___

Program Title

For the projected program growth listed on Form III C1, provide an annual breakdown by objectives and strategy.

ANNUAL OBJECTIVE	ANNUAL STRATEGY
1980-81	
1981-82	
1982-83	
1983-84	

AGENCY CODE: _____

FORM III D1

Rev 10/2/78

AGENCY: _____

NEW PROGRAMS
for

PROGRAM CODE: ___/___/___/___

Program Title

I. Statement of Need: Briefly state conditions requiring new program. The statement should include changes in client needs, changes in agency policy, or changes in authority or responsibility of the agency.

II. Proposed New Program: Briefly describe the purpose, responsibilities and services of the proposed new program and the relationship to the agency mission.

AGENCY CODE: _____

FORM III D2

Rev.
10/2/78

AGENCY: _____

ANNUAL PLAN FOR NEW PROGRAM
for

PROGRAM CODE: __/__/__/_

Program Title

For the new program proposed on Form III D1, provide annual breakdown by objective and strategy.

ANNUAL OBJECTIVE	ANNUAL STRATEGY
1980-81	
1981-82	
1982-83	
1983-84	

BUDGET SUMMARY

SECTION IV
BUDGET SUMMARY

1. Section IV represents the budget summary for all programs described in detail in Section III.
2. Form IV A is the aggregation of all base budget and continuation amounts and projections from Form III A produced for each program in Section III. The summarization of all Forms III A on Form IV A thus represents the entire amount the agency expects to expend to maintain its current level of functioning.
3. Form IV B is a summary of the entire contents of the budgets and projections developed in Section III. NOTE: These figures should be generated from the SUB-TOTAL line of Form IV A, the deficiency budgets (total of Forms III, B3), program growth budgets (total of Forms III C3), and new program budgets (total of Forms III D3).

AGENCY CODE: _____

FORM IV B

Rev 10/2/78

AGENCY: _____

SUMMARY ALL PROGRAMS
for

Page one of three pages

Name of Agency

1978 - 79

1979 - 80

BUDGET TYPE	STATE	FEDERAL	OTHER	TOTAL
Base & Continuation (From Form IV A Sub-Total)				
Overcoming Current Deficiencies (Sum of Forms III B3)				
Projected Growth (Sum of Forms III C3)				
New Programs (Sum of Forms III D3)				
TOTAL				

STATE	FEDERAL	OTHER	TOTAL

PROGRAM ABSTRACT

SECTION V
PROGRAM ABSTRACT

1. The information presented in Form V, which should be developed for each of the agency's programs or subprograms, will be computerized and used in program analyses. Consequently, the information should be descriptive but limited to the space allowed. It is essential that the information be accurate and in conformity with the format dictated by data processing requirements. The following guidelines will be applicable.
2. The storage space for each program abstract is limited to 1,508 characters (letters and spaces). Your total statement should therefore be limited to this length. The lined section on Form V represents 1,508 characters in elite type, so each abstract should be contained within this space on the form.
3. The content of each abstract should include:
 - a. The overall purpose or goal of the program. This should be a brief restatement of the information presented on Form III, summarizing the reasons for the existence of the program.
 - b. The primary objectives associated with the program. These should express the programmatic outcomes to be accomplished over the five-year period.

c. A brief explanation of significant cost increases or decreases associated with the major components of the plan (deficiencies, program growth, new programs).

4. The agency should assure that the abstract presents a description of the program which can be understood by individuals having a minimal familiarity with the agency and its programs. abbreviations, acronyms, etc., may be used to conserve space, but they should be readily understandable.

5. The section at the bottom of the form is to be used to provide functional descriptors for each program. These will be used in functional analyses of state expenditures. The first word or phrase must be selected from the following column entitled "Function." The second word or phrase must be selected from the set of subfunctions associated with the previously selected functional group. The next three words or phrases must be any other functional or subfunctional words or phrases in the following lists which the agency feels best describe the program. If the descriptors do not apply to the program, complete only the number of blanks in item 2 that can reasonably be filled. The last three blanks in item 3 should be descriptors chosen by the agency which it feels best describe the purpose or function of the program and may or may not be from the functional listing. NOTE: This section should not be completed by Post-Secondary institutions of higher learning.

c. A brief explanation of significant cost increases or decreases associated with the major components of the plan (deficiencies, program growth, new programs).

4. The agency should assure that the abstract presents a description of the program which can be understood by individuals having a minimal familiarity with the agency and its programs. abbreviations, acronyms, etc., may be used to conserve space, but they should be readily understandable.

5. The section at the bottom of the form is to be used to provide functional descriptors for each program. These will be used in functional analyses of state expenditures. The first word or phrase must be selected from the following column entitled "Function." The second word or phrase must be selected from the set of subfunctions associated with the previously selected functional group. The next three words or phrases must be any other functional or subfunctional words or phrases in the following lists which the agency feels best describe the program. If the descriptors do not apply to the program, complete only the number of blanks in item 2 that can reasonably be filled. The last three blanks in item 3 should be descriptors chosen by the agency which it feels best describe the purpose or function of the program and may or may not be from the functional listing. NOTE: This section should not be completed by Post-Secondary institutions of higher learning.

6. Functional Descriptors

<u>FUNCTION</u>	<u>SUBFUNCTIONAL</u>
Legislative	Enactment of Laws Legislative Support Legislative Research Legislative Oversight
Judicial	Adjudication Judicial Support Legal Defense Legal Education
General Government	Executive Management State Administration
Education	Post-Secondary Elementary/Secondary Cultural/Scientific
Health	Personal and Public Health Mental Health Substance Abuse
Human Services	Individual and Family Services Rehabilitation Services Housing Services
Public Safety	Confinement and Re-Entry Services Law Enforcement Training

FUNCTION

SUBFUNCTIONAL

Resource and
Economic Development

Natural Resources

Economic Development

Regulation in the
Public Interest

Consumer Protection

Regulation of Business and Industry

Professional Licensing

Transportation

Land

Air

Water



APPENDIX

SECTION VI

APPENDIX

Use this section to add materials such as statistical charts, maps, etc. necessary to supplement the main text of the preceding chapters. Please do not include copies of studies and reports. These should be simply footnoted at the appropriate place in the text.

EXHIBIT IV
11/10/78

S. C. SOCIAL SERVICES ADVISORY COMMITTEE

Governor James B. Edwards
Chairman

SERVICES AND PLANNING SUBCOMMITTEE

Senator Edward E. Saleeby, Chairman
Box 519
Hartsville, S. C. 29550
Bus. 332-1531 Home 332-8294

Senator William Howell
Box 581
Walterboro, S. C. 29488

Senator Verne Smith
Box 528
Greer, S. C. 29651
Bus. 877-7421 Home 877-2504

Representative Robert Helmly
Drawer 1194
Moncks Corner, S. C. 29461
Bus. 899-2101 Home 899-4635

Representative McKinley Washington
Box 12
Edisto, S. C. 29438
Bus. 869-2300 or 889-8319 Home 869-2260

Mrs. Doris Hardy Jones
1008 Fairwood Avenue
N. Augusta, S. C. 29841
Bus. 279-6756 Home 279-5179

Mr. James Mitchell
P. O. Box 4
Cottageville, S. C. 29435
Home 835-8400

Mrs. June Svedberg
P. O. Box 291
Georgetown, S. C. 29440
Bus. 546-8596 Home 546-6801

Representative Joseph Murray
Box 321
Charleston, S. C. 29402
Bus. 577-0657 Home 577-2889

Senator William Howell

ADMINISTRATION AND EVALUATION SUBCOMMITTEE

Representative David Hawkins
23 Independence Drive
Roebuck, S. C. 29376
Bus. 582-9160 Home 576-0877

Senator John Drummond
Box 748
Greenwood, S. C. 29646
Bus. 223-5525 Home 543-2831

Senator John Land
Pinestraw Lane
Manning, South Carolina

Mr. Robert Gandy, Chairman
Richtex Corporation, P. O. Box 3307
Columbia, S. C. 29203
Bus. 786-1260

Mrs. Shirley Corn
1053 Cardinal Drive
Rockhill, S. C. 29730
Home: 327-5560

Mr. W. Tate Baggett
P. O. Box 307
St. Stephen, S. C. 29772
Bus. 567-3748 or 648-5098 Home 825-6842

ADMINISTRATION AND EVALUATION SUBCOMMITTEE

Representative Parker Evatt
Box 363
Columbia, S. C. 29202
Bus. 799-2490 Home 772-0072

Mr. Ike Clinkscales
3 Dubard Street
Greenville, S. C. 29606
Home 244-5634

Mrs. Almeta Delaine
6 North Church Street
Manning, S. C. 29322
Home 435-2358

Mr. Leon Whitehead
211 Oak Street
Lake City, S. C. 29560
Bus. 394-3121 Home 394-2190

ALLOCATION OF DOLLARS TO STATE AGENCIES FOR TITLE XX
 10-1-75 THROUGH 6-30-79
 REPRESENTS FEDERAL FINANCIAL PARTICIPATION AND MATCH

	TOTAL 10-1-75 6-30-79	10-1-75 6-30-76	7-1-76 6-30-77	7-1-77 6-30-78	7-1-78 6-30-79
Department of Mental Retardation	\$ 18,811,405	\$ 3,799,282	\$ 5,300,000	\$ 5,118,741	\$ 4,593,382
Health & Environmental Control	6,992,734	1,556,067	2,223,668	1,676,534	1,536,465
Department of Youth Services	3,287,094	1,333,568	1,358,219	245,850	349,457
Winthrop College	870,436	486,202	120,934	131,650	131,650
Commission on Aging	5,946,203	1,051,394	1,414,873	1,668,433	1,811,503
Alcohol & Drug Abuse	7,141,176	1,704,553	1,886,959	1,788,351	1,761,313
Commission for the Blind	342,240	51,263	123,629	98,209	69,139
Department of Corrections	1,660,718	305,961	558,225	560,594	235,938
Juvenile Placement & Aftercare	473,810	100,119	112,041	173,650	88,000
Vocational Rehabilitation	2,495,925	769,350	790,692	745,342	190,541
Department of Mental Health	6,251,255	2,339,900	2,063,000	969,340	879,015
State Human Affairs	75,000	-0-	75,000	-0-	-0-
USC Spartanburg	238,132	48,119	46,457	68,826	74,730
USC Lancaster	343,337	91,490	73,310	88,061	90,476

ALLOCATION OF DOLLARS TO STATE AGENCIES FOR TITLE XX
 10-1-75 THROUGH 6-30-79
 REPRESENTS FEDERAL FINANCIAL PARTICIPATION AND MATCH
 CONTINUED

	TOTAL 10-1-75 6-30-79	10-1-75 6-30-76	7-1-76 6-30-77	7-1-77 6-30-78	7-1-78 6-30-79
USC Union	\$ 258,230	\$ 67,066	\$ 50,960	\$ 70,102	\$ 70,102
USC Main Campus	621,766	159,516	130,248	162,002	170,000
USC Salkehatchie	249,578	72,681	51,031	61,727	64,139
USC Beaufort	113,092	66,202	46,890	-0-	-0-
USC Medical University	38,000	-0-	-0-	38,000	-0-
Department Probation and Pardon	114,690	114,690	-0-	-0-	-0-
S. C. Department of Education	<u>449,658</u>	<u>449,658</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 GRAND TOTALS	 <u>\$ 56,774,479</u>	 <u>\$ 14,567,081</u>	 <u>\$ 16,426,136</u>	 <u>\$ 13,665,412</u>	 <u>\$ 12,115,850</u>

* + \$1,859,055	-\$2,760,724	-\$1,549,562
Increase from	Decrease from	Decrease from
75-76 to 76-77	76-77 to 77-78	77-78 to 78-79

* Nine (9) Month Contracts

M11878

RECAP OF TITLE XX ALLOCATIONS/EXPENDITURES *

	DSS BUDGET	DSS EXPENSES	CONTRACTS BUDGET	CONTRACTS EXPENSES	GRAND TOTALS BUDGETS	GRAND TOTAL EXPENSES
July 1, 1976/June 30, 1977	\$ 20,071,000 46%	\$ 18,370,000 47%	\$ 23,473,000 54%	\$ 20,455,000 53%	\$ 43,544,000 100%	\$ 38,825,000 100%
July 1, 1977/June 30, 1978	21,083,000 47%	23,570,000 54%	23,882,000 53%	19,836,000 46%	44,965,000 100%	43,406,000 100%
July 1, 1978/June 30, 1979	28,481,000 57%	Not reported to date	21,447,000 43%	Not reported to date	49,928,000 100%	
TOTALS	<u>\$ 69,635,000</u> 50%		<u>\$ 68,802,000</u> 50%		<u>\$138,437,000</u> 100%	

* Approximate Amounts

House Bill No. 2650 - General Appropriation Bill 1975-76

SECTION 25

Designating the Department of Social Services as the Agency to Administer Public Law 93-647, to Create an Advisory Committee and Providing for Contractual Services with the Office of the Governor.

- A. The South Carolina Department of Social Services is hereby designated as the single State agency to administer and supervise the administration of Public Law 93-647, otherwise known as "Title XX-Grants to State for (Social) Services."
- B. Notwithstanding any other provision of law, the Department of Social Services shall contract with the Office of the Governor for support services in the development of a comprehensive state plan required under the provisions of Public Law 93-647, otherwise known as "Title XX-Grants to States for (Social) Services." Such support services shall include, but not be limited to, the following:
 - (a) Comprehensive needs assessment.
 - (b) Contact with the providers of services for the collection of data.
 - (c) Analysis of data collected to determine service priority. This is to be done in consultation with the Department of Social Services.
 - (d) Design of a service delivery approach. This is to be done in consultation with the Department of Social Services.
 - (e) To develop a model plan in conjunction with Department of Social Services from which the Department of Social Services shall develop the comprehensive state plan.

Further, the Department shall contract with the Office of the Governor for support services in the evaluation of the delivery of services according to the comprehensive annual plan and such evaluation shall be incorporated in the reporting process required by law.

Applications to provide contractual direct service delivery shall be made to one Department of Social Services and all approvals and denials of such applications shall be in accordance with the procedures set forth

in the comprehensive state plan. The Department of Social Services shall notify the Office of the Governor of all applications to provide contractual services when they are received. The Office of the Governor is authorized to approve, publish and make generally available to the public the state's proposed services plan for the forthcoming program year, and the Office of the Governor is authorized to approve, publish and make generally available to the public the state's final comprehensive service plan.

The Department of Social Services shall, according to contractual arrangements for such services between the Department and the Office of the Governor, make available to the Office of the Governor the funds for the performance of such services provided by the Office of the Governor.

The Department of Social Services shall continue to provide direct services now being provided and administer the same. Any expansion of direct services must be a part of the comprehensive state plan or mandated by federal law.

- C. (1) There is created the State Social Services Advisory Committee, to be composed of five members of the House of Representatives to be appointed by the Speaker, five members of the Senate to be appointed by the President and ten members to be appointed by the Governor, one from each of the ten Regional Councils of Government areas, and the Governor or his designee who shall serve as chairman. The terms of the legislative members shall be coterminous with the terms for which they were elected and those of the Governor shall be coterminous with his term. Vacancies shall be filled in like manner.

The committee shall meet within two weeks after the appointment of its members for the purpose of organizing. The committee shall elect a secretary and may elect such other officers as deemed necessary. Thereafter, the committee shall meet at least once a month and at such other times as the chairman may deem necessary.

- (2) The committee shall act in an advisory capacity and shall assist the department by making recommendations in relation to carrying out the provisions of Public Law 93-647.
- (3) The members of the committee shall be paid per diem and mileage as provided by law for boards, commissions and committees. The Office of the Governor shall furnish such administrative assistance and office space, including a meeting room, as may be required for the needs of the committee.

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NOV 08 1978



State of South Carolina

Office of the Governor

JAMES B. EDWARDS
GOVERNOR

DIVISION OF HEALTH AND SOCIAL DEVELOPMENT
1205 Pendleton Street - 4th Floor
Columbia, South Carolina 29201
758-7886 758-8016

November 6, 1978

Mr. Bill Mcinnis
Deputy Executive Director
Budget and Control Board
P. O. Box 12444
Columbia, S. C. 29211

Dear Mr. ^{Bill}Mcinnis:

At the October 23, 1978 Social Services Advisory Committee meeting, a motion was made that a committee be appointed of four members to meet with the Budget and Control Board to discuss the Title XX funding situation. The members that were appointed are: Representative Robert Helmly, chairman, Senator Verne Smith, Representative Parker Evatt, and Representative McKinley Washington. This committee would like to request a hearing as soon as possible.

Eventhough various members of the Budget and Control Board are actively involved in the Title XX program, the committee felt that they would like to have the opportunity to formerly present the situation to the Board.

Your cooperation in the scheduling of this meeting is greatly appreciated. If you need any additional information, please contact me at 758-8016.

Sincerely,

Barbara

Barbara A. Mosses

BAM:AM

EXHIBIT V

SOUTH CAROLINA
STATE HOUSING AUTHORITY
PROGRAM OVERVIEW

11/10/78

SOUTH CAROLINA STATE HOUSING AUTHORITY
SINGLE FAMILY MORTGAGE PURCHASE PROGRAM
(FEDERALLY INSURED OR GUARANTEED MORTGAGE LOANS)
PROGRAM OVERVIEW

I. STATE HOUSING AUTHORITY INTENTIONS AND PURPOSE

The Authority is presently working on the issuance of tax-exempt revenue bonds to finance a Mortgage Purchase Program, the proceeds of which will be used to purchase newly originated FHA-insured and VA guaranteed mortgage loans in the State and to fund certain required reserve funds. The structure of the program is designed to accomplish the purposes of the South Carolina State Housing Authority Act of 1977 by meeting the following specific objectives: (i) expansion of the supply of funds in the State available for new residential mortgages for single persons and families of the "beneficiary classes" defined by the Act; (ii) provision of additional housing at prices and interest rates which are affordable by low and moderate income citizens in order to alleviate the shortage of adequate housing in the State; and (iii) development of a program providing the most effective participation by private mortgage lenders while restricting the financial return to such lenders to that which is necessary and reasonable to induce such participation.

II. BASIC PARAMETERS OF THE PROGRAM

A. Commitment Period

In early October 1978, the Authority mailed general program descriptions to a wide group of lenders currently originating and servicing residential mortgage loans in the State. A few days later, these lenders received the Authority's Procedural Guide for the program, the Commitment Letter, a Mortgage Purchase Contract, and a Servicing Contract.

By October 20th, those Lenders seeking to secure a commitment from the Authority to purchase mortgage loans returned the Commitment Letter (plus any other information requested by the Authority). The Lender agreed, unconditionally, to originate a given amount of mortgage loans as per the conditions of the Mortgage Purchase Contract.

With the receipt of the Commitment Letters, the Authority now has the task of allocating its commitments to the various lenders. In making such allocations, the Authority may consider, among other things: (i) the financial condition of the Lenders submitting Commitment Letters; (ii) the volume of residential mortgage loans made in the State by the Lender during the preceding 12-month period; (iii) the Lender's ability to act as a Servicer on the mortgage loans to be purchased by the Authority; and (iv) the desirability of achieving a reasonable geographic distribution of available funds throughout the State.

The Authority notifies the Lenders of their exact allocation by a Notice of Acceptance, which commits the Authority, subject to certain conditions set forth in the Mortgage Purchase Agreement and Procedural

Guide, to purchase qualified Mortgage Loans delivered by the Lender within the Commitment Period and commits the Lender to deliver such loans for sale and assignment to the Authority.

Within a certain period following the receipt of the Notice of Acceptance, the Lender must pay a Commitment Fee, as outlined in Section IV, and sign and return the Mortgage Purchase Agreement. The obligation of the Authority to purchase any mortgage loan shall be subject to issuance and sale of bonds within the period prescribed by the Application.

B. Fees and Charges

The remuneration a Mortgage Lender can potentially receive through participation in the program is to a great extent dependent upon the quality of the Lender's underwriting and servicing and upon how quickly the Lender delivers loans to the Authority.

1. Fees Collected by the Lender: 3 points

The Mortgage Lender will be allowed to charge two (2) points to the seller of the residence plus one (1) point as an Origination Fee to the buyer at the time of closing.

2. Other Fees Paid to the Lender: 3/8% Servicing Fee

The Servicer will be compensated for servicing the mortgage loans purchased by the Authority in an amount equal to 3/8% per annum of the outstanding principal balance of such mortgage loans.

3. Commitment Fee Paid to the Authority: 1 1/2 points

Within a certain period of time of the Lenders receipt of the Notice of Acceptance and prior to the preliminary offering of the bonds, the Lender must pay a commitment fee to the Authority equal to 1 1/2% of his Commitment Amount (allocation).

The Commitment Fee, when paid in full, reserves in the name of the Lender those funds allocated to the institution in the Notice of Acceptance for a period of 365 days.

The Authority will purchase in an amount equal to (plus or minus \$10,000) the amount of the allocation at a rate to be determined on the date of the bond sale. (All purchases of mortgage loans made by the Authority under the Agreement will be made at par).

4. Mortgage Lenders Reserve Fund: .50%

The Mortgage Lender will also be required to fund a Mortgage Lenders Reserve Fund (MLRF) equal to .50% of the aggregate amount of the mortgages originated by the Lender

and purchased by the Authority. The MLRF will be held in an interest-bearing escrow account in the name of the Authority at the Lender's banking institution. At the time the Authority purchases a qualified loan from a Lender, the Lender's bank must certify to the Authority that the MLRF has been funded for that loan.

The Authority will use the funds in the MLRF only to reimburse the Servicer for any net losses incurred in the event of a foreclosure on a Lender's mortgage loan and only upon the request of the Servicer. At the end of five (5) years, the Authority will return any moneys, plus accrued interest in the MLRF, to the Mortgage Lender.

The Authority is the first State Agency to use a MLRF in this form. The MLRF insures that: (i) the Mortgage Lender will use quality underwriting when originating a mortgage loan for the Authority; (ii) the Mortgage Lender/Servicer will expend more effort in curing delinquencies and, therefore, preventing defaults; and (iii) the Mortgage Lender/Servicer will reduce the cost of foreclosure.

According to the FHA decrement tables for the State of South Carolina, defaults are most likely to occur during the first five years of the program. By having the Mortgage Lender pay all costs of foreclosure, except for the 1% principal loss on FHA insured loans, the integrity of the Authority's reserve funds will be greatly enhanced.

5. Penalty Fees Paid by the Lender

a) If a Lender fails to deliver 85% of his commitment within 180 days of the beginning of the Commitment Period, the Authority will assess on the 181st day a .5% Penalty Fee on the unused portion of 85% of the Commitment Amount.

b) If a Lender fails to deliver the final 15% of his commitment within 270 days of the beginning of the Commitment Period, the Authority will assess, on the 271st day, a .5% Penalty Fee on the unused portion of the remaining Commitment Amount above 85% of the original Commitment Amount.

c) If the Lender fails to deliver mortgage loans by the 365th day of the Commitment Period in a sufficient amount to meet the requirements of the Mortgage Purchase Contract, the Authority can charge the Lender for liquidated damages.

These fees are non-refundable. However, the Authority has made provisions for a Lender, upon request, to have a portion of his Commitment reallocated by the Authority to other participating Lenders in order to avoid some Penalty Fees.

The fees were designed to encourage Mortgage Lenders to submit realistic requests for commitments based upon their ability to originate and deliver mortgages quickly to the Authority. Because of the six and nine month penalty fees and the liquidated damages fees (which reimburses the Authority for all costs incurred in redeeming bonds or reallocating unused proceeds to other lenders), the Authority is protected against two major concerns of the rating agencies: the possibility of negative arbitrage on unused bond proceeds and the inability to get bond proceeds into mortgage loans.

C. Criteria For an Eligible Mortgage Loan

In order for the Authority to purchase a mortgage loan from a Lender, the loan must:

1. be insured by FHA (Section 203 only) or guaranteed by VA.
2. be made to a member of the Beneficiary Class or Classes.
3. be made on a house and lot which has a maximum sales price or FHA/VA appraised value (whichever is less) of \$42,000.
4. be newly originated mortgage loans. The Authority will not purchase loans which are refinancings of existing houses or the modifying downward of a mortgage made at a higher rate of interest.
5. be for owner-occupied primary residences.
6. bear an interest rate which is to be determined by the Authority upon the sale of the bonds, subject to applicable statutory restrictions.

The Authority has the right to reject any loan which does not conform to these guidelines or as outlined in the Procedural Guide at any time.

III. RESERVE FUNDS

The Mortgage Purchase Program has three Reserve Funds which include:

A. Bond Reserve Fund (BRF)

The Bond Reserve Fund is funded from bond proceeds. The BRF must be maintained at a minimum level equal to the maximum amount required to pay the principal, sinking fund installments and interest coming due in the current or any future bond year on outstanding bonds. The Bond Reserve Fund is used to pay debt service after all other funds within the Program are exhausted. If for any reason a deficiency exists in the Bond Reserve Fund, the Authority must replenish the BRF to its reserve requirement from the first moneys available after the payment of debt service.

B. Mortgage Reserve Fund (MRF)

Funded from bond proceeds, the Mortgage Reserve Fund has reserve requirements equal to 1% of the principal amount of bonds outstanding. The MRF is used to pay (i) all cost of foreclosure after the Mortgage Lender's Reserve Fund has been exhausted, (ii) all cost of foreclosure after the MLRF has been terminated, and (iii) debt service on the bonds if a deficiency exists in the payment account.

If moneys are withdrawn from this Fund for any of the above purposes, the Authority must replenish the MRF from any available moneys within the Program after payment of debt service and replenishing the Bond Reserve Fund.

C. Mortgage Lenders Reserve Fund (MLRF)

(Described in Section II-B-4).

PROJECTED CASH FLOW

YEAR	SUBSIDY RECEIPTS	PRINCIPAL RECOVERY	INTEREST INCOME	RESERVE WITHDRAWALS	OTHER FLOWS	TOTAL INFLOWS	TOTAL NEW DEBT SERV	TRUSTEES' PAYMENTS
0	0	0	0	0	0	0	0	0
1974	200,149	0	344,297	0	3,047,235	3,599,681	0	0
1975	4,916,310	137,470	690,125	6,200	937,500	6,695,613	2,567,736	107,690
1976	6,197,334	881,290	754,569	20,500	0	7,853,693	5,755,472	85,190
1977	6,077,341	1,628,551	775,473	25,500	0	8,506,895	7,153,392	84,570
1978	5,947,805	1,519,822	770,177	24,800	0	8,262,604	7,550,317	92,520
1979	5,817,693	1,557,579	768,879	25,650	0	8,169,801	7,351,317	79,970
1980	5,670,701	1,669,464	769,305	27,250	0	8,144,720	7,309,677	77,490
1981	5,524,683	1,797,695	770,988	28,900	0	8,122,266	7,337,562	74,925
1982	5,368,378	1,756,368	767,563	29,000	0	7,921,309	7,359,762	72,200
1983	5,212,174	1,731,118	764,680	29,499	0	7,737,471	7,215,692	69,310
1984	5,056,620	1,665,238	761,379	29,300	0	7,512,537	7,109,742	66,410
1985	4,913,022	1,501,775	754,641	26,550	0	7,195,988	6,929,742	63,460
1986	4,772,506	1,470,199	751,926	26,750	0	7,021,381	6,494,457	60,530
1987	4,632,952	1,428,239	748,790	26,950	0	6,836,931	6,369,432	57,875
1988	4,491,629	1,419,954	746,571	27,400	0	6,685,554	6,230,632	55,200
1989	4,345,710	1,426,473	744,775	28,000	0	6,544,958	6,130,017	52,505
1990	4,194,326	1,435,298	742,862	28,699	0	6,401,185	6,031,097	49,765
1991	4,034,033	1,471,910	741,572	29,550	0	6,277,065	5,935,897	46,965
1992	3,861,271	1,520,070	740,496	30,550	0	6,152,387	5,850,132	44,095
1993	3,675,275	1,540,219	738,818	31,150	0	5,985,462	5,772,832	41,140
1994	3,483,459	1,483,192	734,846	30,900	0	5,732,397	5,648,005	38,085
1995	3,288,487	1,410,931	730,662	30,500	0	5,460,580	5,432,990	34,970
1996	3,091,123	1,323,055	726,031	29,900	0	5,170,109	5,185,960	31,000
1997	2,892,237	1,219,395	720,955	28,950	0	4,861,537	4,921,610	20,830
1998	2,692,783	1,100,306	715,445	27,899	0	4,536,433	4,626,200	25,840
1999	2,493,791	966,551	572,734	25,850	0	4,058,926	4,327,315	22,945
2000	2,294,366	819,378	566,435	24,250	0	3,706,429	3,935,305	20,155
2001	2,101,660	660,619	559,828	22,500	0	3,344,615	3,602,190	17,570
2002	1,910,887	492,667	552,987	20,500	0	2,977,041	3,264,715	15,145
2003	1,722,974	331,372	546,079	2,577,133	0	5,177,578	2,913,965	12,895
2004	1,450,481	193,123	370,787	2,574,282	0	4,588,673	5,106,615	10,845
2005	307,684	0	178,043	2,557,032	0	3,042,759	4,520,155	6,465
						194,284,602	2,520,790	2,370
TOTAL	102,157,007	37,559,346	21,630,735	8,451,899	3,994,735		170,403,921	1,539,005

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 2

Agency: State Housing Authority

Subject: Single-family Home Ownership Mortgage Purchase Program

Board Action Requested:

As a follow-up to the October 31, 1978 action on this subject, formally authorize the State Housing Authority to proceed with the sale of a specific amount of bonds to implement the referenced program.

Staff Comment:

Attachments:

Mayfield November 3, 1978 memorandum to the House-Senate Bond Review Committee plus six attachments



SOUTH CAROLINA STATE HOUSING AUTHORITY

Suite 540, 2221 Devine Street, Columbia, S. C. 29205
(803) 758-2844

November 3, 1978

MEMO TO: State Capital Improvement Bonds Committee Members
FROM: L. Steve Mayfield *LSM*
SUBJECT: Notification of the Authority's Proposed Mortgage Finance Program
to be Financed by the Sale of Revenue Bonds

As per the specifications of the South Carolina State Housing Authority Act of 1977, I am enclosing herewith copies of relevant actions taken by the Authority's Commissioners and information provided to the State Budget and Control Board at its meeting on October 31, 1978.

It is my understanding that you have been contacted by a staff member of the State Budget and Control Board and informed of their decision regarding the review by your committee.

Enclosed for your information is the following documentation:

- 1) "Housing Finance Program," describing the Authority's proposed Single Family Mortgage Purchase Program;
- 2) "South Carolina State Housing Authority Overview," outlining the operational aspects of the Authority's proposed finance program;
- 3) State Housing Authority Commissioners' October 31, 1978 meeting;
- 4) "Schedule: Single Family Mortgage Purchase Program;"
- 5) Letter from Hugh C. Lane to Senator Lake; and
- 6) Information sheet: "States with Triple A General Obligation Bonds Credit Rating; and "States with No General Obligation Debt Outstanding" and the "Amount of Housing Bonds Issued by These State Housing Finance Agencies with No Impact on the State's Triple A Rating."

If you need additional information or desire that representatives of the Authority, Morgan Guaranty Trust Company or Huger Sinkler meet with your committee, please so advise and we will be please to properly respond.

LSM:vpd

Enclosures



SOUTH CAROLINA STATE HOUSING AUTHORITY

Suite 540, 2221 Devine Street, Columbia, S. C. 29205
(803) 758-2844

HOUSING FINANCE PROGRAM

On August 10, 1978, the South Carolina State Supreme Court declared the South Carolina State Housing Authority Act of 1977 constitutional. This legislation authorizes the Authority to issue revenue bonds and provide below-market-interest-rate permanent mortgage funds to finance housing persons and families of low to moderate incomes in the State of South Carolina.

The first priority of the Authority, based on its analysis of the housing needs of the State's citizens, is to finance new, previously-owned, or rehabilitated FHA-insured and VA-guaranteed single family owner-occupied housing for ownership by moderate income persons and families. The maximum income limit for participation is established by law as up to 125% of the State's median family income plus an allowance of \$800 for each dependent. The maximum annual income for a family of four would be \$21,200. Mortgage interest rates to the consumer will be made at or less than 8% for a house and lot selling for no more than \$42,000. Eligible home buyers with good credit ratings will be able to obtain mortgages directly from the State's mortgage lenders that are FHA/VA approved seller/servicers. Savings and loan associations, mortgage bankers and commercial banks will be participating in the program.

A savings of between \$30 to \$60 to the home buyer on his monthly principal and interest cost would result from the lower rate permissible through the Authority's finance program. Implementation of this program will provide a tremendous economic boost and stimulus to the economy of the State through the private housing finance, development, and construction industry as well as wages, profits, and ad valorem taxes for localities.

It is important to note that the credit of the State -- in fact, by law and decisions of the State Supreme Court cannot -- be pledged to support any of the Authority's finance programs. The Authority's programs must be fully self-supporting and stand by itself when scrutinized by the Authority's Commissioners, the State Budget and Control Board, the joint Bond Review Committee, the Authority's Bond Counsel, the Rating Agencies, investment underwriters, and bond purchasers.

The programs contained in the Authority's 1977 Housing Act are essentially the same programs that have been adopted for use by over forty States. Approximately \$15 billion has been borrowed by these States since 1960 to build more than 500,000 housing units for moderate and low income citizens. The lead investment underwriter for the Authority is Morgan Guaranty Trust Company of New York and the firm of Sinkler, Gibbs & Simons of Charleston is serving as Bond Counsel.



SOUTH CAROLINA STATE HOUSING AUTHORITY

Suite 540, 2221 Devine Street, Columbia, S. C. 29205
(803) 758-2844

November 3, 1978

MEMO TO: State Capital Improvement Bonds Committee Members
FROM: L. Steve Mayfield *LSM*
SUBJECT: State Housing Authority Commissioners' October 31, 1978 Meeting

The State Housing Authority Commissioners' October 31st monthly meeting was devoted primarily to: 1) analyzing mortgage fund commitments requested by the State's mortgage lenders in response to the Authority's proposed Single Family Mortgage Purchase Program; 2) determining the appropriate maximum amount of mortgage funds that the Authority should make available to consumers; 3) formulating an allocation system among the participating mortgage lenders; and 4) adopting a time schedule for implementing the Mortgage Purchase Program. Additionally, the Authority presented its findings to the State Budget and Control Board and requested the Board's preliminary approval of its plans.

A total of 47 mortgage lenders throughout the State requested a mortgage amount totaling \$174,900,000 under the Authority's proposed program. In reviewing the geographic areas of the State where the mortgage lenders specified they would be originating mortgage loans, every County in the State would have citizens participating in the program. The request for mortgage funds by the State's FHA/VA lenders was considerably greater than the Authority had anticipated. It was obvious that the Commissioners would be faced with paring the lenders' requests based upon information supplied by Morgan Guaranty Trust Company of New York that the maximum optimum size of the Authority's first bond issue should be no greater than \$85 million. This representative also stated that, based upon the conservative and careful structuring of the program and the FHA insurance and VA guarantee on the mortgages, it was almost a certainty that the Authority's bond rating would be rated AA by the Rating Agencies. This rating is the highest given any bond issue that is not guaranteed or backed up by the full faith and taxing power of a political entity.

Based on the above information, it was decided that the Authority at this time should attempt to meet only about one-half the demand requested by the mortgage lenders; thus, no more than \$75 million should be used to finance mortgage loans. Additional funds over and above the \$75 million will be required in order to finance the various front-end and operating costs and security devices required by a program of this nature. A maximum bond issue of \$85 million was determined to be appropriate. The Commissioners, therefore, directed that each lender's request be reduced by the same percentage, approximately 55%.

Memo to:
State Capital Improvement Bonds Committee Members
November 3, 1978
Page Two

Although an amount of \$75 million appears to be a very large sum of funds, when compared to the volume of mortgages originated in the State during the year, it can be placed in proper perspective. Last year, FHA-insured mortgages exceeded \$95 million and VA-guaranteed mortgages totaled more than \$150 million. This year the FHA/VA requests are up sizably from last year's. Conventionally-insured mortgages generally run more than 5 to one greater than FHA/VA. It is anticipated that approximately 2,000 to 2,400 families would be served by \$75 million in mortgage funds for a total of about 45-50 loans average per County in the State.

In order to obtain the most favorable interest rates possible to the Authority and plan its bond sale at a time that would be most attractive to institutional investors, a time-frame schedule was adopted by the Commissioners. The schedule specifies that the latest time desirable for a bond sale of this nature would be December 15, 1978. Accordingly, a schedule of events necessary to complete the tasks required to implement the bond sale was adopted.

A representative from Morgan Guaranty attending the Commissioners' meeting declared that, assuming interest rates did not change appreciably in the tax-exempt bond market, the Authority would have no problem in implementing its program to provide mortgage interest rates to the consumer at no greater than 8%. As a matter of fact, in today's market, the Authority would be able to provide mortgage loans to the consumer at approximately 7 7/8%.

Some Commissioners asked about the \$25 million limitation that was placed on the issuance of bonds for a period of one year after passage of the 1977 legislation and whether or not this might possibly create a problem for the Authority. The Chairman, Mr. Hugh C. Lane, indicated that he had discussed this matter in-depth with Senator Lake, the author of this Amendment, and was assured that based upon the current demand for mortgage funds by private lenders in the State and the usury situation, an \$85 million bond issue would not be out of order. Mr. Lane produced a copy of the letter that he had written to Senator Lake explaining the conversation and identifying his reasons for considering a bond issue greater than the \$25 million figure.

The Commissioners spent considerable time analyzing Morgan Guaranty's "Projected Cash Flow" to ascertain and determine that there are sufficient financial safeguards to protect the integrity of the Authority's revenue bond issues.

LSM:vpd



SOUTH CAROLINA STATE HOUSING AUTHORITY

Suite 540, 2221 Devine Street, Columbia, S. C. 29205
(803) 758-2844

SCHEDULE

SINGLE FAMILY MORTGAGE PURCHASE PROGRAM

- | | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| October 31 | Approval of Bond Issue by SHA: Amount and Allocation Procedure |
| November 1-6 | Completion of Preliminary Official Statement, Agreement among Underwriters, Purchase Contract by SHA Staff, Morgan Guaranty and Huger Sinkler |
| November 8 | Relevant Documents Supplied to Rating Agencies (Moody's and Standard & Poore) |
| November 9 | Selection of Trustee by SHA |
| November 10 | SHA Notifies Participating Lenders of Financial Amount of Their Allocation |
| November 16
(or 17) | SHA, Morgan Guaranty and Huger Sinkler Meet with Rating Agencies in New York |
| November 17 | Commitment Fees from Participating Lenders Received by SHA |
| November 23 | SHA Scheduled to Receive Ratings from Rating Agencies |
| November 29 | Morgan Guaranty Mails Preliminary Official Statement, Agreement among Underwriters, Purchase Contract, Blue Sky Survey to Relevant Parties |
| December 6 | Morgan Guaranty Holds Information Meeting with Prospective Purchasers of the Authority's Bonds |
| December 11-12 | Morgan Guaranty Commences Order Period from Purchasers of the Authority's Bonds |
| December 15 | SHA and Morgan Guaranty Sign Bond Purchase Agreement |

(as of 11/2/78)

HUGH C. LANE
50 BROAD STREET
POST OFFICE BOX 10608
CHARLESTON, SOUTH CAROLINA 29411

October 25, 1978

RECEIVED

OCT 26 1978

S. C. STATE
HOUSING AUTHORITY

Honorable Robert C. Lake, Jr.
South Carolina State Senator
Post Office Box 245
Whitmire, S. C. 29178

Dear Senator Lake:

I appreciate your chatting with me on the phone concerning the State Housing Authority and its current mortgage purchase program. The Housing Authority is very anxious to live up to the mandates of the legislation both in the legal aspects and in the spirit of the legislation. It was for this reason I wanted to talk with you about the \$25 Million limitation on bond issuance for the first calendar year after the enactment of the legislation which was a provision that you placed in the act.

As I mentioned on the phone books closed on Monday, October 23 on applications by mortgage bankers and savings and loans for funds under the first proposed bond issue which will be presented to the Budget and Control Board at 3:00 P.M. on Tuesday, October 31st. We have applications for \$175 Million. Morgan Guaranty has advised us that, in their judgment from a standpoint of marketability and interest rates, South Carolina should come out with an issue of approximately \$85 Million to purchase FHA and VA mortgages only. As I pointed out, in the mortgage business it is the seller, not the purchaser, who puts up the earnest money. Thus, the mortgage bankers and savings and loan institutions are prepared to put up earnest money for whatever allocation they get so I think it is reasonable to say that there is a current need for \$175 Million.

I am most pleased with your position that you do not object to our proposed \$85 Million issue. This issue would produce approximately 2,400 housing units in the state, which is approximately 5% of the need, at a rate of interest under 8%. When one figures that a 1% differential in an interest rate represents a little over 15% of the amount of the mortgage over a 25-year period, this means that a purchaser can either get more house for his money or less monthly payments and during this period of almost non-existent mortgage money, it would be a real shot in the arm to the building industry as

Page 2
Senator Lake
October 25, 1978

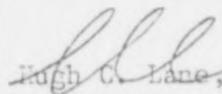
well as providing housing for some of our moderate income people.

It would be the plan of the Housing Authority, after these homes are built and these mortgages acquired, to re-appraise the situation by again asking the mortgage bankers and savings and loan associations to again advise the Authority how much money they would like to apply for and then at a reasonable time to consider another issue. This is what our neighboring states have done and that which is being done generally over the country.

As I mentioned, the bonds will be rated AA, which is the highest rate available for non-full faith and credit securities.

Again, Senator, I am most appreciative of your willingness to go along with the plans of the Authority and I can assure you that it will be handled to the best of our ability.

Sincerely,


Hugh C. Lane, Chairman
S. C. State Housing Authority

HCL:mbr
BC: Mr. Steve Mayfield

RECEIVED
OCT 26 1978
S. C. STATE
HOUSING AUTHORITY

STATES WITH Aaa GENERAL OBLIGATION BONDS CREDIT RATING

<u>State</u>	<u>Amount of Housing Bonds Issued by the State Housing Finance Agencies</u>		<u>Ratings on Housing Bond Issues</u>	
			<u>Moody's</u>	<u>S & P</u>
California	Single Family/FHA-VA	\$100,000,000	Aa	AA
	Single Family/PMI	182,480,000	A-1	A+
Georgia		100,000,000	Aa	AA
Illinois *		486,953,000	A-1	AA
Maryland *		118,050,000	AA	AA
Minnesota *		757,115,000	AA	AA
Missouri		202,635,000	AA	AA
New Hampshire *		103,900,000	A-1	AA
New Jersey *	Housing Finance Agency	840,000,000	A-1	AA
	Mortgage Finance Agency	658,000,000	A-1	AA
North Carolina *		16,000,000	Aa	AA
Ohio	No Issuances to Date		-	-
Oklahoma	No Housing Agency		-	-
Oregon *		91,385,000	A-1	AA
Tennessee *		333,615,000	A-1	AA
Texas	No Housing Agency		-	-
Utah *		148,295,000	AA	AA
Virginia *		581,600,000	A-1	AA
Wisconsin *		229,830,000	AA	AA Insured
			A-1	AA Uninsured
		<u>\$4,949,858,000</u>		

* Has moral obligation

STATES WITH NO GENERAL OBLIGATION DEBT OUTSTANDING

<u>State</u>	<u>Amount of Housing Bonds Issued by the State Housing Finance Agencies</u>	<u>Ratings on Housing Bond Issues</u>		
		<u>Moody's</u>	<u>S & P</u>	
Arizona	No Housing Agency	-	-	
Arkansas	\$ 15,000,000	Aa	AA	
Colorado	265,386,353	A-1	A+	
Indiana	No Housing Agency	-	-	
Iowa *	62,600,000	Aa Aa	A★ AA	Single Family FHA Multi Family
Kansas	No Housing Agency	-	-	
North Dakota	No Housing Agency	-	-	
South Dakota *	205,135,000	A-1	AA	
Wyoming	<u>53,000,000</u> \$601,121,000	Aa	AA	

* MORAL OBLIGATION

11/10/78

A RESOLUTION
OF THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA
GRANTING APPROVAL TO THE ISSUANCE OF THE \$1,387,900 SOUTH
CAROLINA STATE HOUSING AUTHORITY HOUSING DEVELOPMENT NOTE,
SERIES 1978 (WALTERBORO PROJECT) BY THE SOUTH CAROLINA STATE
HOUSING AUTHORITY IN ORDER TO FINANCE THE COST OF THE
ACQUISITION AND CONSTRUCTION OF A RENTAL PROJECT LOCATED IN
THE TOWNSHIP OF VERDIER, COLLETON COUNTY, SOUTH CAROLINA.

WHEREAS, by Resolution duly adopted on November 1,
1977, the State Budget and Control Board of South Carolina
(the Board) did approve the acquisition, construction and
plan of financing, both temporary and permanent, by the
South Carolina State Housing Authority (the Authority) of a
rental project (the Project) near the town of Walterboro, in
the Township of Verdier, Colleton County, South Carolina;
and

WHEREAS, such Resolution approved the details of the
temporary financing but only the general plan of the
permanent financing inasmuch as all details of the permanent
financing were not then available; and

WHEREAS, the Authority did arrange temporary financing
in order to provide funds for the acquisition of the site
and to pay the cost of the construction of the Project with
The South Carolina National Bank which participated the
construction loan with each of Bankers Trust of South
Carolina, The Citizens and Southern National Bank of South
Carolina and First National Bank of South Carolina; and

WHEREAS, the plan of temporary financing provided that
the said construction loan shall mature November 21, 1978 at
which time the Authority shall borrow from the United States

of America Department of Agriculture, Farmers Home Administration (the FmHA) a sufficient sum to pay both the principal and interest then due on the said construction loan; and

WHEREAS, the provisions and requirements of the FmHA loan have now been agreed upon, all of which are contained in the Resolution of the Authority duly adopted October 31, 1978, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Board has received the Resolution of the Authority and its attachments and agrees to approve the action of the Authority and the details of the permanent financing which establish that the obligation of the Authority is limited and shall be paid solely from the revenues derived from the ownership and operation of the Project which revenues have been determined to be sufficient in amount to service the debt of the permanent financing.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA:

Section 1.

After due investigation, the Board finds that the matters recited in the preambles to this Resolution are in all respects true and correct.

Section 2.

Approval is hereby granted to the Authority to effect its plan of financing the Project as herein described by issuing and delivering its \$1,387,900 South Carolina State

Housing Authority Housing Development Note, Series 1978 (Walterboro Project) and entering into and executing all other loan documents required by FmHA which may include but are not limited to a real estate mortgage on the Project, security agreement and financing statements.

Section 3.

Pursuant to Section 6 of Act 76 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1977, the Board does hereby acknowledge receipt of a schedule of the debt service requirements on all outstanding notes and bonds of the Authority which schedule is attached hereto as Exhibit B and further does acknowledge receipt of all other information required to be received by it pursuant to the said Act.

EXHIBIT A

A RESOLUTION

AUTHORIZING THE ISSUANCE OF A \$1,387,900 SOUTH CAROLINA STATE HOUSING AUTHORITY HOUSING DEVELOPMENT NOTE, SERIES 1978 (WALTERBORO PROJECT), FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION AND CONSTRUCTION OF A HOUSING PROJECT IN THE TOWNSHIP OF VERDIER, COLLETON COUNTY, THE STATE OF SOUTH CAROLINA; PROVIDING FOR THE SECURING OF SAID NOTE; AND OTHER MATTERS RELATING THERETO.

WHEREAS, the South Carolina State Housing Authority (the Authority) is authorized and empowered by the provisions of Section 31-3-140, Code of Laws of South Carolina, 1976, and Act No. 76 enacted at the 1977 Session of the South Carolina General Assembly, approved by the Governor May 10, 1977, (collectively, the Act), to acquire, cause to be constructed and operate public rental projects in order to provide decent, safe and sanitary housing accommodations to persons of low income; and to issue its notes or bonds in order to obtain the funds necessary for such purposes; and

WHEREAS, the Authority has determined that a public rental project is required in the County of Colleton, South Carolina; and

WHEREAS, the Authority has obtained the approvals required by Section 31-3-150, Code of Laws of South Carolina, 1976, and of the South Carolina State Budget and Control Board for the acquisition, construction and operation by the Authority of a public rental project located in the County of Colleton, South Carolina; and

WHEREAS, the Authority has determined that the amount necessary to provide for the costs of the acquisition and

construction of the said rental project is \$1,387,900, which amount has been borrowed from The South Carolina National Bank participating with each of The Citizens and Southern National Bank of South Carolina, First National Bank of South Carolina and Bankers Trust of South Carolina by way of a construction loan secured by a first mortgage on the said rental project; and

WHEREAS, the Authority has received a commitment from the United States Department of Agriculture, Farmers Home Administration (the Government) to loan the Authority \$1,387,900 in order to provide long term financing for the said rental project, pursuant to which the Authority will issue and the Government will purchase a note payable from revenues derived from the ownership and operation of the Housing (the Revenues) and additionally secured by a mortgage on the said rental project in favor of the Government; and

WHEREAS, it has been determined that the amount now required to finance the cost of the said rental project, including necessary expenses incidental thereto, will require the initial issuance, sale and delivery of a promissory note hereinafter designated as SOUTH CAROLINA STATE HOUSING AUTHORITY HOUSING DEVELOPMENT NOTE, SERIES 1978 (WALTERBORO PROJECT) in the aggregate principal amount of \$1,387,900 (the Note); and

WHEREAS, the \$1,387,900 aggregate principal amount of the Note to be issued is to be in substantially the form set forth as Exhibit A hereto with necessary and appropriate

variations, omissions and insertions as permitted or required by this Note Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the South Carolina State Housing Authority, in meeting duly assembled:

1. Application for Loan. The Authority shall apply for and obtain a loan (the Loan) of \$1,387,900 from the United States of America acting through the Farmers Home Administration, United States Department of Agriculture pursuant to Sections 515(b) and 521(a) of the Housing Act of 1949. The Loan shall be used solely for the specific eligible purposes for which the Loan is approved by the Government, in order to provide rental housing and related facilities for eligible occupants as defined by the Government. Such housing and facilities and the land constituting the site are herein called the Housing.

2. Execution of Loan Instruments. To evidence the Loan the Authority shall issue the Note, signed by its Chairman and attested by its Secretary, with its corporate seal affixed thereto, for the amount of the Loan, payable in installments over a period of forty (40) years, and containing other terms and conditions, prescribed by the Government. To secure the Note and any supplemental agreement required by the Government, the Chairman and the Secretary are hereby authorized to execute a real estate mortgage, the form of which is set forth as Exhibit B hereto (the Mortgage), prescribed by the Government giving a lien

upon the Housing, including an assignment or security interest in the rents and profits as collateral security to be enforceable in the event of any default by the Authority and containing other terms and conditions prescribed by the Government. The Note shall bear interest on the unpaid principal balance thereof from the date thereof at the rate of eight per centum (8%) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$9,660 on December 21, 1978,

\$9,660 thereafter on the 21st of each month

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced by the Note, if not sooner paid, shall be due and payable forty (40) years from the date of the Note.

The Note, together with interest thereon, shall be a limited obligation of the Authority payable by the Authority solely from the Revenues and property securing such Note. The Note does not now and shall never constitute an indebtedness of the State of South Carolina within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the State of South Carolina (except to the extent of the Revenues herein pledged) or a charge against its general credit or taxing powers. Neither the members of the Authority nor any person required by the

provisions of this Resolution to sign the Note shall be personally liable thereon. The Form of the Note is attached hereto as Exhibit A.

3. Equal Opportunity and Nondiscrimination Provisions. The Chairman and the Secretary are hereby authorized and directed to execute on behalf of the Authority: (a) any undertakings and agreements required by the Government pursuant to Executive Order 11063 regarding nondiscrimination in the use and occupancy of housing; (b) Government Form FmHA 400-1 entitled "Equal Opportunity Agreement" including an "Equal Opportunity Clause;" and (c) Government Form FmHA 400-4 entitled "Nondiscrimination Agreement (Under Title VI, Civil Rights Act 1964)", a copy of which is attached hereto and made a part hereof, and any other undertakings and agreements required by the Government pursuant to lawful authority.

4. Supervised Bank Account. The proceeds of the Note shall be deposited in a "supervised bank account" as required by the Government. Amounts in the supervised bank account exceeding \$40,000 shall be secured by the depository bank in advance in accordance with U. S. Treasury Department Circular No. 176. As provided by the terms of the agreement creating the supervised bank account, all funds therein shall, until duly expended, collaterally secure the obligations. Withdrawals from the supervised bank account by the Authority shall be made only on checks signed by the

Executive Director of the Authority and countersigned by the County Supervisor of the Government and only for the specific Loan purposes approved in writing by the Government. The Authority's share of any liquidated damages or other monies paid by defaulting contractors or their sureties shall be deposited in the supervised bank account to assure completion of the Housing. When all approved items eligible for payment with Loan funds are paid in full, any balance remaining in the supervised bank account shall be applied on the Note as an "extra payment" as defined in the regulations of the Government and the supervised bank account shall be closed.

5. Accounts for Housing Operations and Loan Servicing. The Authority shall establish on its books the following accounts, which shall be maintained so long as the Loan obligations remain unsatisfied: a General Fund Account; an Operation and Maintenance Account; a Debt Service Account; and a Reserve Account. Funds in said accounts shall be deposited in a bank or banks insured by the Federal Deposit Insurance Corporation, except for any portion invested in readily marketable obligations of the United States as authorized by Section 9 hereof. The Executive Director of the Authority shall execute a fidelity bond, with a surety company approved by the Government, in an amount not less than the estimated maximum amount of such funds to be held in said accounts at any one time. The United States of America shall be named as co-obligee, and

the amount of the bond shall not be reduced without the prior written consent of the Government. The Authority in its discretion may at any time establish and utilize additional accounts to handle any funds not covered by the provisions of this Note Resolution.

6. General Fund Account. By the time the Loan is closed the Authority shall deposit in the General Fund Account the amount of \$8,650. All income and revenue from the Housing shall upon receipt be immediately deposited in the General Fund Account. The Authority may also in its discretion at any time deposit therein other funds, not otherwise provided for by this Note Resolution, to be used for any of the purposes authorized in Sections 7, 8 or 9 hereof. Funds in the General Fund Account shall be used only as authorized in said Sections and, until so used, shall be held by the Authority in trust for the Government as security for the Loan obligations.

7. Operation and Maintenance Account. Not later than the 15th of each month, out of the General Fund Account shall be transferred to the Operation and Maintenance Account sufficient amounts to enable the Authority to pay from the Operation and Maintenance Account the actual, reasonable, and necessary current expenses, for the current month and the ensuing month, of operating and maintaining the Housing not otherwise provided for. Current expenses may include, in addition to expenses occurring or becoming due monthly, monthly accumulations of proportionate amounts

for the payment of items which may become due either annually or at irregular intervals, such as taxes, insurance, and normal repair and replacement of furnishings and equipment reasonably necessary for operation of the Housing.

8. Debt Service Account. Each month, immediately after the transfer to the Operation and Maintenance Account provided for in Section 7 hereof or after it is determined that no such transfer is called for, any balance remaining in the General Fund Account, or so much thereof as may be necessary, shall be transferred to the Debt Service Account until the amount in the Debt Service Account equals the amount of the next installment due on the Loan. Funds in the Debt Service Account shall be used only for payments on the Loan obligations and, until so used, shall be held by the Authority in trust for the Government as security therefor.

9. Reserve Account.

(a) Immediately after each transfer to the Debt Service Account as provided in Section 8, any balance in the General Fund Account shall be transferred to the Reserve Account. Funds in the Reserve Account may be used only as authorized in this Note Resolution and, until so used, shall be held by the Authority in trust as security for the Loan obligations. Transfers at a rate not less than \$13,879 annually shall be made to the Reserve Account until the amount in the Reserve

Account reaches the sum of \$138,790 and shall be resumed at any time when necessary, because of disbursement from the Reserve Account, to restore it to said sum.

Of such sum, at least 50 percent (50%) shall be maintained on a cash basis, referred to herein as the "cash reserve." After the cash reserve reaches the required 50 percent (50%) of said sum, all or any portion of the balance of said sum may, at the option of the Authority, consist of an amount, referred to herein as the "prepayment reserve," by which the Authority is "ahead of Schedule" as defined in the regulations of the Government. Funds in the cash reserve shall be deposited in a separate bank account or accounts insured by the Federal Deposit Insurance Corporation or invested in readily marketable obligations of the United States, the earnings on which shall accrue to the Reserve Account.

(b) With the prior consent of the Government, funds in the Reserve Account may be used by the Authority:

(1) To meet payments due on the Loan obligations in the event the amount in the Debt Service is not sufficient for the purpose.

(2) To pay costs of repairs or replacements to the Housing caused by catastrophe or long-range depreciation which are not current expenses under Section 7 hereof.

(3) To make improvements or extensions to the Housing.

(4) For other purposes desired by the Authority which in the judgment of the Government likely will promote the Loan purposes without jeopardizing collectibility of the Loan or impairing the adequacy of the security, or will strengthen the security or will facilitate, improve, or maintain the orderly collectibility of the Loan.

(c) Any amount in the Reserve Account which exceeds the aggregate sum specified in subsection 9(a) hereof and is not agreed between the Authority and the Government to be used for purposes authorized in subsection 9(b) shall be applied promptly on the Loan obligations.

10. Regulatory Covenants. So long as the Loan obligations remain unsatisfied, the Authority shall:

(a) Impose and collect such fees, assessments, rents and charges that the income of the Housing will be sufficient at all times for operation and maintenance of the Housing, payments on the Loan obligations, and maintenance of the accounts herein provided for;

(b) Maintain complete books and records relating to the Housing's financial affairs, cause such books and records to be audited at the end of fiscal year;

promptly furnish the Government without request a copy of each audit report, and permit the Government to inspect such books and records at all reasonable times.

(c) If required or permitted by the Government, revise the accounts herein provided for, or establish new accounts, to cover handling and disposition of income from and payment of expenses attributable to the Housing or to any other property securing the Loan obligations, and submit regular and special reports concerning the Housing or financial affairs.

(d) The fiscal year of the Authority shall begin on November 1 and end on October 31 of each year.

(e) Unless the Government gives prior consent:

(1) Not use the Housing for any purpose other than as rental housing and related facilities for eligible occupants.

(2) Not enter into any contract or agreement for improvements or extensions to the Housing or other property securing the Loan obligations.

(3) Not cause or permit voluntary dissolution of the Authority nor merge or consolidate with any other organization, nor cause or permit any transfer or encumbrance of title to the Housing or any part thereof or interest therein, by sale, mortgage, lease, or otherwise.

(4) Not cause or permit the issue or transfer of stock, borrow any money, nor incur any

liability aside from current expenses as defined in Section 7 hereof which would have a detrimental effect on the Housing.

(f) Submit for the Housing the following to the Government for prior review not less than thirty (30) days before the effective dates, and for prior approval by the Government:

(1) Annual budgets and operating plans. Such budget shall set forth the considered estimate of expenditures for operation and maintenance of the Housing for the entire ensuing Fiscal Year, and shall include only the reasonable and necessary costs of items payable from the Operation and Maintenance Fund. The amounts thereafter expended from the Operation and Maintenance Fund shall not exceed the amounts reasonably necessary for operation and maintenance, and no expenditure shall be made, nor any obligation incurred for operation, maintenance and repair in excess of the aggregate amount set forth in such annual budget unless prior thereto, the Authority shall have by resolution found that further expenditures have become necessary for the proper operation and maintenance of the Housing and have by such resolution duly amended the annual budget then in force.

(2) Statements of management policy and practice, including eligibility criteria and implementing rules for occupancy of the Housing.

(3) Proposed rents and charges and other terms of rental agreements with occupants and compensation to employees of the Housing.

(g) If required by the Government, modify and adjust any matters covered by clause (f) of this Section.

(h) Comply with all its agreements and obligations in or under the Note, security instrument, and any related agreement executed by the Authority in connection with the Loan of the Government.

(i) Not alter, amend or repeal without the Government's consent this Note Resolution or the bylaws or articles of incorporation of the Authority, which shall constitute parts of the total contract between the Authority and the Government relating to the Loan obligations.

(j) Do other things as may be required by the Government in connection with the operation of the Housing or with any of the Authority's operations or affairs which may affect the Housing, the Loan obligations or the security.

(k) Do such other things within its powers under the statutes creating and empowering the Authority as may be reasonably required by the Government in

connection with the operation of the Housing or with any of the Authority's operations or affairs which may affect the Housing, the Note or the security therefor.

11. Refinancing of Loan. If at any time it appears to the Government that the Authority is able to obtain a loan upon reasonable terms and conditions to refinance the Loan obligations then outstanding, upon request from the Government the Authority will apply for, take all necessary actions to obtain, and accept such refinancing loan and will use the proceeds for said purpose.

12. General Provisions.

(a) It is expressly understood and agreed that any loan of the Government will be administered subject to the limitations of the authorizing act of Congress and related regulations, and that any rights granted to the Government herein or elsewhere may be exercised by it in its sole and exclusive discretion to carry out the purposes of the Loan, enforce such limitations, and protect the Government's financial interest in the Loan and the security given therefor.

(b) The provisions of this Note Resolution are representations to the Government to induce the Government to make a loan to the Authority as aforesaid. If the Authority should fail to comply with or perform any provision of this Note Resolution or any requirement made by the Government pursuant to this Note Resolution, such failure shall constitute default

as fully as default in payment of amounts due on the Loan obligations. In the event of such failure, the Government at its option may declare the entire amount of the Loan obligations immediately due and payable and, if such entire amount is not paid forthwith, may take possession of and operate the Housing and proceed to foreclose its security, and may enforce all other available remedies.

13. Additional Covenants.

(a) INSURANCE. The Authority agrees that it will at all times keep the Housing insured against all hazards customarily insured against by private companies engaged in similar endeavors, to the full insurable value thereof, in a responsible insurance company authorized and qualified under the laws of South Carolina to assume such risks. Any expense resulting therefrom shall be included in the regular operating budget of the Housing and paid for from the Operation and Maintenance Fund. All funds received by the Authority from insurance policies may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but in the event such monies are not so used then the same shall be deposited into the Reserve Fund.

(b) COVENANTS RELATING TO CONDEMNATION. If the Housing or any part thereof be taken or damaged through the exercise of eminent domain power or through the exercise of any right or any obligation on the part of

any public authority to purchase the same, or as the result of any agreement between the Authority and said public authority made in lieu of condemnation proceedings, the Authority shall promptly notify the Government of such taking or damaging and of the initiation of any such proceedings with respect to such taking or damaging. Payments for taking or damages shall be jointly payable to the Authority and the Government.

(c) AUTHORIZATION OF MORTGAGE. The Chairman and Secretary of the Authority are hereby authorized and directed to execute, seal and deliver, on behalf of the Authority, the Mortgage in substantially the form attached hereto as Exhibit B. The Chairman of the Authority, however, is hereby authorized, prior to execution and delivery of the Mortgage to make such changes or modifications in the form of such agreement as may be required or deemed appropriate by him in order to accomplish the purposes of the transactions authorized by this Note Resolution. The execution and delivery of the Mortgage by the Chairman and Secretary of the Authority shall be conclusive evidence of the due execution in accordance with this Note Resolution, on behalf of the Authority, of such instrument which shall thereupon become binding and enforceable against the Authority.

(d) CLOSING DOCUMENTS. The Chairman and Secretary of the Authority are fully empowered and authorized to take such further action and to execute and deliver such closing documents as may be required by the Government and as may be necessary and proper to effect the delivery of the Note in accordance with the terms and conditions herein set forth, and the action of such officers or either of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

(e) RESOLUTION CONSTITUTES CONTRACT; MODIFICATIONS AND AMENDMENTS. In consideration of the purchase and acceptance of the Note by the purchaser thereof, this Note Resolution shall for all purposes be deemed to be and shall constitute a contract between the Authority and the holders from time to time of the Note. This Note Resolution may not be modified or amended in any respect without the prior written consent of the holder of the Note.

(f) REPEALING CLAUSE. All Resolutions, or parts thereof, inconsistent herewith be, and the same are hereby, repealed to the extent of such inconsistencies.

(g) SEVERABILITY. If any provision of this Note Resolution shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, or in all cases because it

conflicts with any other provision or provisions hereof or any Constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Note Resolution contained, shall not affect the remaining portions of this Note Resolution, or any part thereof.

(h) Any provisions of this Note Resolution may be waived by the Government in its sole discretion, or changed by agreement between the Government and the Authority, after this Note Resolution becomes contractually binding, to any extent such provisions could legally have been foregone, or agreed to in amended form, by the Government initially.

(i) Any notice, consent, approval waiver, or agreement must be in writing.

(j) This Note Resolution may be cited in the security instrument and any other instruments or agreement as the "Loan Resolution of October 31, 1978."

(k) The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in

this Note Resolution, in the Note, in the Mortgage and in all proceedings pertaining thereto. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Note authorized hereby, to adopt this Note Resolution, to execute and deliver the Mortgage, and to pledge the Revenues in the manner and to the extent herein set forth; that all actions on its part for the issuance of the Note will have been duly and effectively taken on or prior to the date of delivery thereof and that the Note in the hands of the holder and owner thereof will be a valid and binding obligation of the Authority in accordance with its terms.

DONE IN MEETING DULY ASSEMBLED this 31st day of October, A.D. 1978.

SOUTH CAROLINA STATE HOUSING
AUTHORITY

(SEAL)

Chairman, South Carolina State
Housing Authority

Attest:

Secretary, South Carolina State
Housing Authority

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, the undersigned, Secretary of the South Carolina State Housing Authority, DO HEREBY CERTIFY that the foregoing is a true, correct and verbatim copy of the Resolution duly adopted by the Commissioners of the South Carolina State Housing Authority at a duly called meeting of said Commissioners on October 30, 1978 at which the following Hugh C. Lane, Robert V. Mathison, Isaac Washington, Jewel S. Baskin, J. E. Rabley and Ruby Fricks for the Honorable James B. Edwards constituting a majority of said Commissioners were present and voted unanimously in favor of the adoption thereof. Said Resolution was proposed by Jewel S. Baskin and seconded by Isaac Washington.

WITNESS my Hand and Seal of the Commissioners of the South Carolina State Housing Authority, this 31st day of October, A.D. 1978.

(SEAL)

H. Shue Mayfield
Secretary, South Carolina State
Housing Authority

Exhibit A

STATE OF SOUTH CAROLINA
SOUTH CAROLINA STATE HOUSING AUTHORITY
HOUSING DEVELOPMENT NOTE
SERIES 1978
(WALTERBORO PROJECT)

COUNTY OF COLLETON
CASE NO. 46-15-576000286 \$1,387,900
DATE: NOVEMBER 21, 1978

FOR VALUE RECEIVED, the SOUTH CAROLINA STATE HOUSING AUTHORITY, a body politic and corporate and an agency of the State of South Carolina, (herein called the Authority) promises to pay, but solely from the sources hereinafter described, to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (herein called FmHA) at its office in Walterboro, South Carolina, or at such other place as FmHA may hereafter designate in writing, the principal sum of One Million Three Hundred Eighty-Seven Thousand Nine Hundred (\$1,387,900) DOLLARS, plus interest on the unpaid principal balance at the rate of eight percent (8%) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$9,660.00 on December 21, 1978,

\$9,660.00 thereafter on the twenty-first day of
each month,

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Authority as requested by the Authority and approved by FmHA and interest shall accrue by the Authority and approved by FmHA and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Authority. Refunds and extra payments, as defined in the regulations of FmHA according to the sources of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of the Authority to pay the remaining installments as scheduled herein.

If FmHA at any time assigns this note and insures the payment thereof, the Authority shall continue to make payments to FmHA as collection agent for the holder.

While this note is held by an insured lender, prepayments as above authorized made by the Authority may, at the option of FmHA, be remitted by FmHA to the holder promptly, or, except for final payment, be retained by FmHA and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by the Authority, except payments retained and remitted by FmHA on an annual installment due date basis, shall be the date of the United States Treasury check by which FmHA remits the payment to the holder. The effective date of any prepayment retained and remitted by FmHA to the holder on an annual installment due date basis shall be the date of the prepayment by the Authority, and FmHA will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by FmHA for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of FmHA shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable

by the Authority to FmHA without demand. The Authority agrees to use the loan evidenced hereby solely for purposes authorized by FmHA.

The Authority hereby certifies that it is unable to obtain sufficient credit elsewhere to finance the actual needs at reasonable rates and terms, taking into consideration prevailing and cooperative rates and terms in or near its community for loans for similar purposes and periods of time and that the loan evidenced hereby shall be used solely for the purposes authorized by FmHA.

If at any time it shall appear to FmHA that the Authority may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, the Authority will, at FmHA's request, apply for and accept such loan in sufficient amount to repay FmHA.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of the Authority to FmHA or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, FmHA at its option may declare all or any part of any such indebtedness immediately due and payable.

This note shall be subject to the present regulations of FmHA and to its future regulations not inconsistent with the express provisions hereof.

This note is a limited obligation of the Authority which is an agency of the State of South Carolina with limited statutory powers. This note and all obligations arising hereunder are payable solely from the rents, issues and profits arising and to arise from the projects financed with the proceeds of this note. The faith and credit of the State of South Carolina are not pledged to the payment of this note or other obligations arising hereunder.

Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced hereby shall not be leased, assigned, sold, transferred, or encumbered voluntarily or otherwise without the written consent of FmHA.

Presentment, protest, and notice are hereby waived.

SOUTH CAROLINA STATE HOUSING AUTHORITY

(SEAL)

BY _____
Chairman

Attest:

Secretary

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>
\$1,387,900	November 21, 1978

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

EXHIBIT B

REAL ESTATE MORTGAGE FOR SOUTH CAROLINA

THIS MORTGAGE is made and entered into by South Carolina State Housing Authority residing in Richland County, South Carolina, whose post office address is _____, South Carolina _____, herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," as evidenced by a Promissory Note dated November 21, 1978, herein called "Note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
Nov. 21, 1978	\$1,387,900	8%	Nov. 21, 2018

And the Note evidences a loan to Borrower payable solely from the sources therein set forth and the Government, at any time, may assign the Note and insure the payment thereof pursuant to Title V of the Housing Act of 1949;

And it is the purpose and intent of this instrument that, among other things, at all times when the Note is held by the Government, or in the event the Government should assign the instrument without insurance of the Note, this instrument shall secure payment of the Note; but when the Note is held by an insured holder, this instrument shall not secure payment of the Note or attach to the debt evidenced thereby, but as to the Note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance contract by reason of any default by Borrower:

NOW, THEREFORE, in consideration of the loans(s) and (a) at all times when the Note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the Note, to secure prompt payment of the Note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, (b) at all times when the Note is held by an insured holder, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance contract by reason of any default by Borrower but which indemnity is limited as set forth in the said Note and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower

contained herein or in any supplementary agreement, Borrower does hereby grant, bargain, sell, release, and assign unto the Government, with general warranty, the following property situated in the State of South Carolina, County of Colleton:

ALL that piece, parcel or tract of land located near Walterboro in Walterboro School District, Verdier Township, Colleton County, South Carolina, containing Fifteen and Fifty Hundredths (15.50) acres more or less and bounding and measuring as follows: On the North by lands now or formerly of Lee Berry and measuring thereon One Thousand One Hundred Thirty-Four and Forty Hundredths (1,134.40') feet; on the East by other lands of the grantors to the Authority and measuring thereon Four Hundred Ninety-Eight and Eighty Hundredths (498.80') feet; on the South by lands said to be of the Hezekiah Bell Estate and lands of H.C. Strickland and measuring thereon Three Hundred Twelve and One Hundredths (312.01') feet and Eight Hundred Thirty and Thirty-Three Hundredths (830.33') feet; and bounded on the West by S.C. Route 303, also known as the Walterboro-to-Greenpond highway and measuring thereon Seven Hundred One and Seventy Hundredths (701.70') feet; all of which will more fully appear by reference to a plat of Albert Heatley, Jr., R.L.S., dated February, 1977 and recorded in Plat Book 18, at Page 77 in the Office of the Clerk of Court for Colleton County, South Carolina.

-ALSO-

Mary Kate S. Gardner and Newell S. Langdale, grantors to the Authority, reserved a non-exclusive right-of-way for a common road from S.C. Route 303 on the West to other lands of Mary Kate S. Gardner and Newell S. Langdale on the East over the southernmost Sixty (60') feet of the above described tract of land, which right-of-way is more fully described by reference to the above mentioned plat; and as to which right-of-way the South Carolina State Housing Authority, its successors and assigns, also has the right for the use of the same in common with Mary Kate S. Gardner and Newell S. Langdale; this property being the same conveyed to the South Carolina State Housing Authority by deed duly recorded in the Clerk of Court's Office, Colleton County in Book 192, page 108, on November 21, 1977; together with all rights, interests, easement, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, all water, water rights and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein-in all of which are herein called "the property";

The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the property continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the purchaser owns it, whichever is longer.

This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Resolution (Loan Agreement) of October 31, 1978, which is hereby incorporated herein by reference.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES (provided that Borrower, as an agency of the State of South Carolina with limited statutory powers cannot and does not incur any obligation hereunder which constitutes a general obligation of the State of South Carolina or as to which the State shall have incurred pecuniary liability or a charge against its credit or taxing power and each and every covenant herein made is dischargeable solely from the rents, issues

and profits arising or to arise from the projects financed by the Government) as follows:

1. To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the Note by reason of any default by Borrower. At all times when the Note is held by an insured holder, Borrower shall continue to make payments on the Note to the Government, as collection agent for the holder.

2. To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Government.

3. If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

4. Whether or not the Note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by him when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the Note.

5. All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the Note and shall be secured hereby.

No such advances by the Government shall relieve Borrower from breach of his covenant to pay. Any payment made by Borrower may be applied on the Note or any indebtedness to the Government secured hereby, in any order the Government determines.

6. To use the loan evidenced by the Note solely for purposes authorized by the Government.

7. To pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

8. To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

9. To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husband-manlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

10. To comply with all laws, ordinances, and regulations affecting the property.

11. To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the Note and any supplementary agreement (whether before or after default,) including but not limited to costs of evidence of title to any survey of the property costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

12. Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive right as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

13. At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

14. The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the Note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable

thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability of the Government of Borrower or any other party for payment of the Note or indebtedness secured hereby except as specified by the Government in writing.

15. If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the Note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

16. Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

17. SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of

creditors, the Government as its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

18. The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the Note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. At Foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

19. Borrower agrees that the Government will not be bound by any present or future State Laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of any action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any rights of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, or descent, dower, and curtesy.

20. If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for him, will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to

enforce any restrictive covenants on dwelling relating to race, color, religion, sex or national origin.

21. This instrument shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

22. Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at Columbia, South Carolina 29201, and in the case of Borrower to him at the address shown in the Farmers Home Administration Finance Office records (which normally will be the same as the post office address shown above).

23. If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provisions or application, and to that end the provisions hereof are declared to be severable.

AFFIDAVIT OF SUBSCRIBING WITNESS

STATE OF SOUTH CAROLINA

COUNTY OF _____

Before me _____, Notary Public of South Carolina, personally appeared _____ and made oath that _____ he saw the within named _____ sign, seal and as _____ act and deed, deliver the within written mortgage for the uses and purposes therein mentioned, and that _____ he with _____ witnessed the execution thereof, and subscribed their names as witnesses thereto.

SWORN to and subscribed before me, this _____ day of _____, 19__.

Notary Public for South
Carolina

Witness

(SEAL)

My Commission Expires on _____

EXHIBIT B

SCHEDULE OF OUTSTANDING INDEBTEDNESS OF THE
SOUTH CAROLINA STATE HOUSING AUTHORITY

The following four construction notes constitute the outstanding indebtedness of the South Carolina State Housing Authority.

<u>Note</u>	<u>Date of Issuance</u> <u>Date of Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u>
\$1,387,900 South Carolina State Housing Authority Housing Development Construction Note (Walterboro Project)	November 21, 1977 November 21, 1978	4.9%	\$1,387,900
\$866,000 South Carolina State Housing Authority Housing Development Construction Note (Ridgeland Project)	June 9, 1978 June 9, 1979	5.25%	\$ 866,000
\$540,000 South Carolina State Housing Authority Housing Development Construction Note (Loris Project)	June 19, 1978 June 19, 1979	5.46%	\$ 540,000
\$402,000 South Carolina State Housing Authority Housing Development Construction Note (Cowpens Project)	July 26, 1978 July 26, 1979	5.59%	\$ 402,000

These four construction notes will be paid at their maturity from the proceeds of certain borrowings by the Authority from the United States Department of Agriculture, Farmers Home Administration.

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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

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

His Excellency, James B. Edwards, Governor and Chairman of the Board;

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

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

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

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

That due notice of a meeting of the Board, called to be held at the South Carolina Public Service Authority Facility at Wampee near Pinopolis, South Carolina at 10:00 a.m., Friday, November 10, 1978, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

None

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

FOR MOTION

5

AGAINST MOTION

0

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

William A. McInnis

Secretary

November 14, 1978

Note: Mr. Patterson actually left the meeting before the action was taken.

EXHIBIT VII
11/10/78

State of South Carolina
BUDGET AND CONTROL BOARD
PERSONNEL DIVISION
1205 Pendleton Street
Columbia, South Carolina 29201

Jack S. Mullins, Ph.D.
Director

803-758-3334

TO: Budget and Control Board
FROM: Jack S. Mullins
DATE: October 30, 1978
SUBJECT: Ad Hoc Agency Head Advisory Committee Recommendations

The Ad Hoc Agency Head Advisory Committee on compensation in its several meetings spent considerable time on the details and technicalities of restructuring the State's classification and pay plan and the personal service funding priorities. However, at its final meeting, it was the consensus of the committee that its primary responsibility was to set forth its recommendations only in the broadest concept and to leave for the staff of the Budget and Control Board the responsibility to implement these concepts as they are approved by the Board in such a manner as the Board feels appropriate and fiscally responsible.

CONCEPT I.

The State should maintain a competitive posture in the labor market. The State's ability to recruit and retain good employees requires a sound pay schedule and pay plan and the means to make grade reallocations as shifts in the labor market occur for classified employees.

A. Pay Schedule

1. Incorporate the minimum wage in order to remain competitive in the lower job classifications.
2. Attain a reasonable spread between the minimum and maximum of each grade that will adequately compensate but not over compensate.
3. Attain a reasonable differential between the minimums of the various grades in order that jobs have some meaningful difference in the levels of compensation.

4. Adopt a uniform minimum work week that is reflected in the pay schedule.

B. Grade Reallocations

1. Conduct annual salary and fringe benefits surveys that reflect the labor market conditions.
2. Reallocate grades annually as necessitated by market shifts.
3. Effect emergency reallocations as necessary throughout the year.
4. Fund reallocations through:
 - a. accrued vacancy funds; and
 - b. annual appropriations (to supplement accrued vacancy funds.)
5. Adjust pay for employees in reallocated classes by the amount necessary to bring employees to the minimum of the new grade or by some other amount as approved by the Budget and Control Board.

CONCEPT II.

The major portion of the personal service funding allocations, currently used to fund General Increases and the merit program, should be used to offset the erosion of purchasing power by inflation. This allocation will be legislatively determined each year prior to July 1st.

CONCEPT III.

Recognize an employee's years of service and additional experience through the awarding of a relatively moderate annual service increment within the pay range.

CONCEPT IV.

Recognize these few truly meritorious employees through annual merit increments. These increments granted on the employees' review dates can be held to a very small portion of the total payroll if only truly meritorious service is to be rewarded.

Budget and Control Board
Page 3
October 30, 1978

NOTE:

Items II through IV can be funded at no more than is currently allocated for salary increases (General Increase and Merit) but will provide for the more effective and equitable use of these funds.

Respectfully submitted,
Ad Hoc Agency Head Advisory
Committee on Compensation

BY: _____
Jack S. Mullins
State Director of Personnel

A BILL

AN ACT TO ESTABLISH A POLICY GOVERNING THE POLITICAL ACTIVITY OF EMPLOYEES
IN STATE SERVICE.

BE IT ENACTED by the General Assembly of the State of South Carolina:

Section 1. As individuals, employees in the State service retain all rights and obligations of citizenship provided in the constitution and laws of the State and the constitution and laws of the United States.

However, no State employee shall:

- A. Become a candidate for any partisan political office.
Employees shall continue to be covered under this regulation while on leave with or without pay.
- B. Engage, during the hours when on duty, in any forms of political activity calculated to favor or improve the chances of any political party or any person seeking or attempting to hold partisan political office.
- C. Directly or indirectly solicit or receive funds for any political purpose from State employees.

Section 2. Any employee in the State service who violates any of the foregoing provisions of this Act shall forfeit his office or position and for one year shall be ineligible for reinstatement in State service.

Section 3. This act shall take effect as of July 1, 1977.

Senate: Drummond, Harris P. Smith, Stephen
Attorney: McLeod
Stenographer: Bartlett
Date: March 15, 1977
No.: 12

L. 33
21

A BILL

TO AMEND SECTION 50-101, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO NEPOTISM, SO AS TO FURTHER PROVIDE THEREFOR.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 50-101 of the 1962 Code is amended to read:

"Section 50-101. Members of an immediate family, as hereinafter defined, may not be employed concurrently within any one agency of State government if such employment will result in an employee being in the chain of command under a member of his immediate family. If an employee is promoted to a position that has the effect of placing a member of his immediate family in the chain of command under him, effort shall be made to place the employee in a comparable position in another organizational unit, or the agency head may request an exception from the State Budget and Control Board.

Employment of a member of an immediate family may be permitted in strictly emergency situations for temporary periods of time, normally not to exceed thirty calendar days, or for some longer period with the approval of the State Budget and Control Board in cases where other qualified applicants are not available for an essential task.

For purposes of this act, 'immediate family' shall include wife, husband, mother, father, sister, brother, son, daughter, mother-in-law,

father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, granddaughter, grandson, step-mother, step-father, step-son and step-daughter.

All agencies, authorities, boards, bureaus, commissions, committees, councils, departments, divisions, offices and educational institutions of State government shall operate hereunder. The provision of this act shall not apply to members, officers and employees of the General Assembly.

Employment situations in effect prior to July 1, 1977, shall not be affected by this act."

SECTION 2. This act shall take effect July 1, 1977.

A BILL

TO AMEND SECTION 44-861, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO LEAVES OF ABSENCE FOR PUBLIC EMPLOYEES IN SERVICE, AS AMENDED, TO SPECIFY THAT THE LEAVES OF ABSENCE BE CONTINUOUS CALENDAR DAYS.

BE IT ENACTED by the General Assembly of the State of South Carolina:

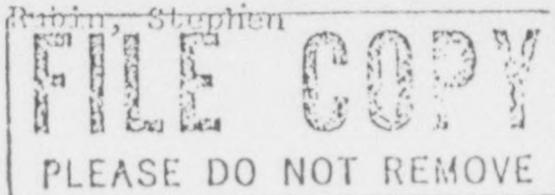
Section 1. Section 44-861 of the 1962 Code is amended to read as follows:

"Section 44-861. Leaves of absence for public employees in military forces.

All officers and employees of this State or any political subdivision thereof, who are either enlisted or commissioned members of the South Carolina National Guard, the United States Naval Reserve, the Officers Reserve Corps, the Enlisted Reserve Corps, the Reserve Corps of the Marines, the Coast Guard Reserve, and the United States Air Force Reserve shall be entitled to leave of absence from their respective duties without loss of pay, time or efficiency rating, for a period not exceeding fifteen continuous calendar days or ten separate workdays in any one year during which they may be engaged in training or other such duties ordered by the Governor, the War Department, the Treasury Department, or the Air Force Department. In the event any such person is called upon to serve during an emergency he shall be entitled to such leave of absence not exceeding thirty additional continuous calendar days."

Section 2. This act shall take effect on July 1, 1977.

Senate: Drummond, Harris P. Smith
Attorney: McLeod
Stenographer: Bartlett
Date: March 10, 1977
No.: 10



A. 333
Zinn

A BILL

TO AMEND SECTION 64-151.2, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO COMPENSATORY TIME FOR CERTAIN STATE EMPLOYEES REQUIRED TO WORK ON LEGAL HOLIDAYS, SO AS TO FURTHER PROVIDE THEREFOR.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 64-151.2 of the 1962 Code, as added by Act 213 of 1975, is amended to read:

"Section 64-151.2. A state employee who is required to work on a legal holiday shall be given compensatory time at the convenience of the agency in which employed within ninety days of such holiday, except employees of agencies following academic schedules. Employees following academic schedules who are required to work on a legal holiday shall be given compensatory time at the convenience of the agency in which employed within one year from the date of the holiday. Employees who do not work a normal Monday through Friday workweek shall receive no more nor any fewer number of holidays than those employees who work the normal Monday through Friday workweek.

All state employees whose positions are nonexempt as defined by the Fair Labor Standards Act and who are not allowed to take compensatory leave, earned for working on a legal holiday, within the ninety day period or the one year period in the case of employees who follow academic schedules, shall be compensated for the holiday

by the employing agency, at the straight hourly pay rate of the employee,
no later than the second regular pay period following the last day
of the time period prescribed in which compensatory time must be given."
SECTION 2. This act shall take effect July 1, 1977.

House: Daniel, Theodore, Woods, Harris,
Campbell

Attorney: Draffin

Stenographer: Boozer

Date: 3-16-77

No.: 4

A-2739

Med. M. M. off.

A BILL

TO AMEND SECTION 64-151.2, CODE OF LAWS OF SOUTH CAROLINA, 1962, RELATING TO COMPENSATORY TIME FOR CERTAIN STATE EMPLOYEES REQUIRED TO WORK ON LEGAL HOLIDAYS, SO AS TO FURTHER PROVIDE THEREFOR.

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by the employing agency, at the straight hourly pay rate of the employee,
no later than the second regular pay period following the last day
of the time period prescribed in which compensatory time must be given."

SECTION 2. This act shall take effect July 1, 1977.

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

SPECIAL MORNING

AGENDA ITEM NUMBER

EXHIBIT IX

11/10/78

6

Agency: State Personnel Division

Subject:

- (1) Proposed policy on dual employment
- (2) Proposed policy on summer compensation for faculty members

Board Action Requested:

Approval

Staff Comment:

Recommended for approval by Board subcommittee

Attachments:

D R A F T

PROPOSED REVISION TO THE DUAL EMPLOYMENT POLICIES

2.09 Dual Employment and Compensation

- A. Recognizing that agencies of State government occasionally require services not available within the agency; that agencies have many outstanding employees whose expertise is in demand; and that agencies can often save considerable money and secure a quick and high quality service from the expertise available within State government; it is the policy of the State Budget and Control Board:
1. That State agencies are encouraged to provide, whenever possible, such services as shall be required by other State agencies without charge;
 2. That State agencies may provide, when it is not possible to provide such services at no cost, requested services on a contractual basis;
 3. That State employees may accept temporary, part-time employment of a consultative or technical nature with State agencies, provided that prior approval is obtained in each instance from the supervisor, the appropriate agency heads, and the Budget and Control Board.

B. Conflict of Interest

No State employee may accept any work or remuneration that could be reasonably construed as a conflict of interest. Acceptance without proper prior approval of work assignment or remuneration that is found to be a conflict of interest will be grounds for disciplinary action or termination. The propriety of an employment situation or remuneration for services rendered shall be considered by all parties concerned. Counsel from the Office of the Attorney General or the State Ethics Commission may be necessary to make such determinations.

C. Work Outside State Government

State Agencies may adopt such policies or procedures as its governing board may deem proper for the approval and/or regulation of jobs held by state employees outside State government. Such policies shall be in accord with law and policies and procedures of the State Budget and Control Board. The Agency shall withdraw approval for such secondary employment if the efficiency, effectiveness, or productivity of the employee deteriorates. The Agency may adopt reasonable disciplinary penalties, up to and including termination for violation of its policies or procedures. An agency may submit such policies and procedures to the State Budget and Control Board for review and comment.

D. General Policies and Procedures

1. General Provisions

- a. The State Budget and Control Board shall establish and administer through the State Personnel Division uniform procedures for the receipt, recording, reporting, and monitoring of all requests for dual employment agreements for State agencies.

- b. The practice of dual employment shall not be used to provide higher continuing salaries than those approved by the Budget and Control Board. Any employee engaged in dual employment shall satisfy the requirements of the established hours of work for the employing (home) agency.
- c. Agencies of State Government, including institutions of higher education, shall provide at no cost and as a part of the regular services of the agency to the General Assembly those services requested by the General Assembly. State employees performing such consultative, research or other services shall receive no additional compensation for such services.
- d. The State Personnel Division shall assume, at the request of the Budget and Control Board, responsibility for the hearing, consideration, and approval of any or all specific conditions or cases of dual employment as so designated. Appeals of the Personnel Division decisions may be made through the State Personnel Director to the Budget and Control Board.
- e. All dual employment, including related leave records, are subject to audit by appropriate authorities.
- f. No compensation shall be paid to an employee of the employing (home) agency by that agency or by the requesting (secondary) agency for services rendered prior to the specific approval of the conditions and amount of compensation under the provisions of this policy.

2. Eligibility

- a. No employee can receive additional compensation for services performed during normally scheduled hours of work unless the employee takes annual leave or leave without pay. An employee may use annual leave while providing services during normal working hours for a requesting (secondary) agency and may receive compensation from that agency for services performed during the period of leave. However, no employee granted leave with the pay by the employing (home) agency may receive additional compensation from that same agency for services performed during this period.
- b. Employees who perform services during other than normally scheduled hours of work for their employing (home) agency may be paid additional compensation, if such services constitute independent, additional duties over and above those of the employee's primary position within the agency. However, such additional services shall be restricted insofar as possible.

3. Approval of Employment

- a. It is the responsibility of the agency heads of the employing (home) and requesting (secondary) agencies to determine the appropriateness of the dual employment request. Dual employ-

ment agreements within the rules and regulations of this policy shall be approved by the agency heads involved and submitted to the State Personnel Division on the official dual employment form for State Budget and Control Board approval. An approved dual employment form must be retained by both the employing (home) and requesting (secondary) agency.

- b. The requesting (secondary) agency will be primarily responsible for the management, communications, and coordination of dual employment arrangements.
- c. The employing (home) agency is responsible for taking action on any dual employment request in a timely manner.

4. Compensation

- a. The maximum compensation that an employee will be authorized to receive for dual employment shall not exceed 30% of the employee's annualized salary for the fiscal year. Compensation for dual employment will be determined by the requesting (secondary) agency.
- b. State agencies may develop internal dual employment policies to govern compensation provided the policy is within the State guidelines. Such policies are subject to review by the State Personnel Division.
- c. The reporting of all dual employment will be made to the Budget and Control Board through the Payroll, Personnel, Budget (PPB) System. The Payroll, Personnel, Budget (PPB) System will inform the Budget and Control Board if any employee exceeds the 30% dual compensation limit. Unless there is specific approval for the excess over 30%, dual compensation earnings will be stopped.
- d. The Comptroller General has ruled that all dual employment compensation must be paid by the home agency and so reported through the Payroll, Personnel, Budget (PPB) System. An Interdepartmental Transfer (IDT) process to recoup this money is to be initiated on the dual employment approval form.
- e. No person shall be eligible for any additional fringe benefits as a result of dual employment, including annual leave, sick leave, military leave, State insurance, and holidays. However, dual employment compensation shall be subject to such tax and retirement deductions as the Comptroller General or law may stipulate.
- f. The rate of compensation for summer employment for those employees whose base period of employment is less than twelve months will be covered by a separate policy.

5. Request for Dual Employment

- a. Each request for approval of dual employment shall apply to only one specific dual employment situation.

b. Any approval for dual employment shall be limited in duration to the specific time frame approved and cannot in any instance be longer than a twelve-month period or extend beyond a fiscal year. Any dual employment situation that extends beyond the end of a fiscal year must be resubmitted for approval.

E. Service on Boards, Commissions or Committees:

If the duties to be performed constitute service by the employee on a board, commission or committee for which a per diem allowance is to be awarded, the employee is not eligible to receive such per diem allowance.

F. Travel and Subsistence

Travel and subsistence paid to a State employee by a secondary agency shall be in compliance with provisions of the annual appropriations act and any regulations promulgated by the Budget and Control Board or the Comptroller General's Office.

D R A F T

PROPOSED

2.10 SUMMER COMPENSATION FOR FACULTY MEMBERS OF STATE COLLEGES AND UNIVERSITIES

A. Policy

All Colleges and Universities are required to adhere to these policies and procedures when employing faculty members during the summer and outside of their base period of employment. Such employment should not be confused with dual employment, which covers additional compensation earned during the faculty member's base period of employment.

B. Definitions

1. Base Period - either a semester, the academic year (covers both of the two regular semester), or 10 months, 10 1/2 months (usually covers the academic year and one summer session), 11 months or 12 months.
2. Base Pay - the compensation allowed for full time employment during a base period.
3. Conflict of interest - any action or situation in which an individual's personal or financial interest or that of a member of his household might conflict with the public interest. In general, the Rules of Conduct and rules and regulations of the State Ethics Commission shall govern conflict of interest situations. Questions of propriety concerning an employment situation may be referred to the State Ethics Commission or the Attorney General for clarification.

C. Regular Summer School Teaching

Compensation for a full-time work load for regular summer session shall not exceed 15% of the faculty member's base pay for the immediately preceding academic year. Exceptions may be approved by the Budget and Control Board upon adequate justification.

D. Summer Teaching, Sponsored Research, and Other Duties Not Related to a Regular Summer Session.

Compensation for teaching, sponsored research, and/or other activity performed during the summer months (between academic years), and not related to a regular summer session for an employee whose base period is a semester or academic year, shall be at the same rate as for his base period for the immediately preceding academic year.

E. Sponsored Research

Sponsored research engaged in during a faculty member's base period will be considered as compensated for in his base pay. Additional or extra compensation for such work will not be allowed except under the most unusual circumstances and only with specific approval of the Budget and Control Board.

F. Conflict of Interest

No faculty member may accept any work or remuneration that could be reasonably construed as a conflict of interest. Acceptance without proper prior approval of work assignment or remuneration that is found to be a conflict of interest will be grounds for disciplinary action or termination. The propriety of an employment situation or remuneration for services rendered shall normally be decided by the faculty member's agency head, who may request counsel from the Office of the Attorney General or the State Ethics Commission as necessary in making such determination.

G. Approval of Employment

College and University authorities are authorized to employ faculty members under the terms of this policy without obtaining the Budget and Control Board's approval on each individual case. For record purposes, however, authorities will continue to notify the Board of these actions via the State Payroll, Personnel, Budget (PPB) System.

Although the State Personnel Division has ruled that summer nonacademic employment by faculty members does not constitute dual employment, a faculty member who works outside his home agency during the summer period must be paid by the home agency and that action must be reported by the home agency through the PPB system. Reimbursement to the home agency will be made by the secondary agency through the initiation of an Inter-departmental Transfer (IDT) or such other form as may be developed and implemented by the State Personnel Division.

H. TEC Summer Compensation

For full-time summer course loads, TEC centers are permitted to compensate academic personnel at a rate of 1/39 of their regular academic year salary for each week of the summer session.

I. Exceptions

Any proposed compensation not in accord with the policies and procedures outlined herein must be submitted to the Budget and Control Board for approval before a commitment is made with the particular faculty member concerned.

J. Effective Date

These policies and regulations are effective upon approval of the State Budget and Control Board. These supercede any earlier policies, procedures, or regulations approved by the Board.

EXHIBIT X
11/10/78

Memorandum of Agreement

Between

South Carolina Budget and Control Board

and

South Carolina Coastal Council

WHEREAS, the South Carolina Budget and Control Board (Board) has been granted authority over the vacant lands of the State and over all lands purchased by the former land commissioners of the State and;

WHEREAS, the Board has been granted authority over all of the phosphate deposits in the navigable streams and marshes of the State and;

WHEREAS, the Board has been granted authority to lease any State lands for the purpose of drilling for and producing oil and gas and;

WHEREAS, the Board has been granted authority to grant easements and rights of way over, on or under vacant lands and marshlands owned by the State to any person for the construction of pipelines, power lines, water and sewer lines, and railroad facilities and to grant to agencies and political subdivisions of the State easements and rights of way over or through any marshlands of the State for the construction of roads, streets, and highways or power or pipe lines and,

WHEREAS, The Board is the state agency which permits all waters and lands up to the ordinary high water mark outside of the critical areas of the Coastal Zone.

WHEREAS, the South Carolina Coastal Council (Council) is responsible for developing and implementing a regulatory permit program for the critical areas of the coastal zone of South Carolina as mandated by Act 123 of the 1977 South Carolina General Assembly (the Act) and;

WHEREAS, the Council is responsible for developing and implementing a

10/27/78

comprehensive coastal management program as mandated by the Act and;

WHEREAS, the Act mandates that all State (and local) agencies cooperate in the administration and enforcement of the Act and authorizes the Council to encourage and promote such cooperation;

THE BOARD AND THE COUNCIL AGREE

1. THAT, in order to coordinate each agency's efforts in mutual areas of concern, the Board and the Council will designate representatives to act as the primary liaisons between these agencies and;

2. THAT, this agreement will be the basis for negotiating further agreements should that become desirable in order to further the agencies' mutual concerns in the coastal zone and;

3. THAT, the Board and the Council shall cooperate and work together to implement and enforce the policies of the General Assembly and the approved coastal management program pertaining to all uses of coastal resources, including conservation, enhancement, protection, and development and;

4. THAT, the Board and the Council will work together to develop a coordination of mapping activities and information in the coastal zone and;

5. THAT, in accordance with the provisions of sections 7 (A) and 8 (B) (11) of the Act, the Board and Council will establish a process for the Council to review and to certify applications for Board permits in the coastal zone; if the Council informs the Board that a proposal would contravene the management plan, a Board permit for the project will be denied or held in abeyance until such time as the objections of the Council can be resolved.

6. THAT, the Board and Council will establish a process for Board review and comment on Council permit applications in accordance with the

Handwritten initials or mark on the left margin.

provisions of section 14 (C) of the Act; if the Board objects to the issuance of a Council permit, then a hearing established by the Council shall be given the Board prior to the issuance of any Council permit. After a hearing, if the Council determines it shall issue its permit over the Board's objection, then such permit shall specifically state the Board's objection.

7. THAT, the Council will provide for the Board's participation in the development and implementation of the Coastal Management Program and that the Board may recommend other participants to the Council;

8. THAT, the critical areas delineated by the Council pursuant to its statutory authority shall be recognized by the Board as the area of direct permitting authority of the Council;

9. THAT, copies of all applications made to the Council which contain any claim of title to properties below the mean high water mark shall be forwarded to the Board's representative with any accompanying documents or information available to the Council with reference to such claim.

10. THAT, in specific cases where the Board objects to the issuance of a Council permit on the grounds that the proposed work of the applicant would impair or destroy the State's ability to assert its claim of title to any property, then the Council shall deny such permit, or in the alternative, require the applicant to furnish to the Council such documents as it may deem necessary to consider the objections of the Board, including documents of ownership, prior to the issuance of any permit.

11. THAT, when an applicant for a permit also desires to negotiate for the lease, use, or purchase of State owned property in connection with the proposed work to be accomplished under such permit, the Council shall refer such applicant to the Division of General Services of the Board for

such negotiations.

12. THAT, this agreement shall remain effective as long as each agency maintains any program of mutual concern affecting the coastal zone, and shall terminate only if superceded by a future memorandum of agreement or by mutual agreement when there are no longer any programs of mutual concern to both agencies. This provision applies to each paragraph of this agreement as well as to the agreement as a whole. Each agency shall annually review this agreement to determine appropriate and desirable alterations and amendments.

This agreement shall take effect upon the signature of the designated officials below.

copy
P.F.O.

11/22/78

DATE

South Carolina Budget and Control Board

James B. Edwards
Joseph L. Pittman
Wendell C. Deegan
Earl F. Murrell, Jr.
Tom E. Murrell

9/25/78

DATE

James M. Madrell
Chairman, S.C. Coastal Council

such negotiations.

12. THAT, this agreement shall remain effective as long as each agency maintains any program of mutual concern affecting the coastal zone, and shall terminate only if superceded by a future memorandum of agreement or by mutual agreement when there are no longer any programs of mutual concern to both agencies. This provision applies to each paragraph of this agreement as well as to the agreement as a whole. Each agency shall annually review this agreement to determine appropriate and desirable alterations and amendments.

This agreement shall take effect upon the signature of the designated officials below.

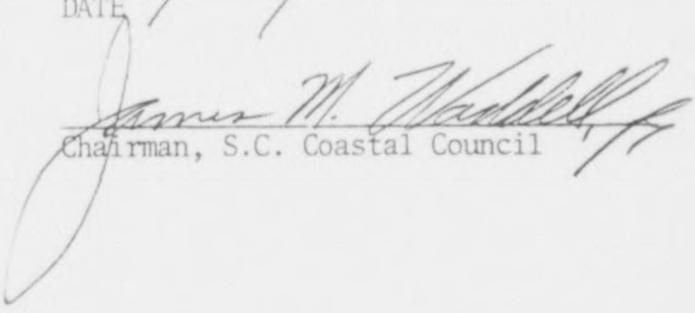
copy
6.10.82

DATE

South Carolina Budget and Control Board

DATE

9/25/78


Chairman, S.C. Coastal Council

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 6

Agency: Coastal Council (General Services)

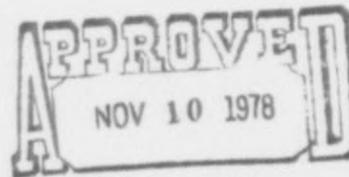
Subject: Memorandum of Agreement with Coastal Council

The Division of General Services advises that a Memorandum of Agreement covering numerous points relating to the responsibilities of the Board and of the Coastal Council in certain areas of the State has been negotiated with the Council.

Board Action Requested:

General Services recommends that the Board approve and execute the referenced Agreement.

Staff Comment:



*For execution
by Board*

Attachments:

General Services agenda notes and Infinger 9/27/78 memo plus referenced Agreement

STATE OF SOUTH CAROLINA
DIVISION OF GENERAL SERVICES
BUDGET AND CONTROL BOARD

SEP 28 1978



300 GERVAIS STREET, COLUMBIA, S. C. 29201

September 27, 1978

FURMAN E. McEACHERN, JR.
DIVISION DIRECTOR
803/758-2226

To: Mr. Bill McInnis
State Auditor's Office

From: Paul H. Infinger *P.H.I.*
Division of General Services

Subject: S. C. Coastal Council - Memorandum of Agreement

The S. C. Coastal Council and the Division of General Services have been negotiating a Memorandum of Agreement for the past six (6) weeks and have agreed to the contents of the enclosed Memorandum.

Senator Waddell, Chairman of the Coastal Council, has signed this agreement and briefly mentioned it to the Budget and Control Board at the recent budget hearings for the Council. Senator Waddell has requested that we attempt to get the agreement signed by the Board by Monday, October 2, if possible, so that he can distribute this agreement along with the Coastal Council Management Plan that is to be sent out that date. If the signatures can be obtained by that date he would respectfully request that it be done. Otherwise, this agreement will be distributed at a later date.

I will be available to help in any way.

Thanks.

PHI:hc

Attachment

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

EXHIBIT XI

11/10/78

8

Agency: Legislative Audit Council

Subject: Review of Economic Benefits of the Wando Terminal

Act 646 of 1978 requires that the Budget and Control Board consider the Legislative Audit Council evaluation of the economic benefits of the Wando Terminal as presented in the report entitled "Impact of the State Ports Authority Upon the Economy of South Carolina" prior to the issuance of the \$56,000,000 of Capital Improvement Bonds authorized for the terminal.

Board Action Requested:

For information and appropriate action

Staff Comment:

Attachments:

Referenced Legislative Audit Council review

South Carolina General Assembly



Legislative Audit Council



South Carolina General Assembly
Legislative Audit Council Review
of the Economic Benefits of the
Wando Terminal As Set Forth in the
Report Entitled Impact of the State
Ports Authority Upon the Economy of
South Carolina.

November 1, 1978

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INTRODUCTION

Section 23 of Act 646 of 1978 (R.789, H.4189) states, "that the bonds provided for in Phase I, Wando Terminal, shall not be issued until the Legislative Audit Council has accomplished an impartial evaluation of the economic benefits as set forth in the Impact of the State Ports Authority upon the Economy of South Carolina; Division of Research Bureau of Business and Economic Research College of Business Administration, the University of South Carolina, October 1974, and subsequent updates of that study and such evaluation is considered by the Budget and Control Board." The Impact study was performed under a grant from the South Carolina State Ports Authority to the University of South Carolina.

During this evaluation, the Council examined the report in question, materials upon which the report was based and related documents. In addition, the Council analyzed material presented by opponents of the proposed Wando Terminal. Interviews were conducted with persons involved in various aspects of the project.

The conclusions in this report are based on analysis of the information gathered from these sources. Time and personnel constraints were such that the Council was unable to develop sources of information independent of the parties involved. In many cases, expert authorities disagreed upon the interpretation of the available data.

SECTION I
EVALUATION OF THE IMPACT STUDY

The Legislative Audit Council evaluated four major facets of the Impact study.

- (1) Calculations and other mechanical aspects such as transposition of information from text to tables and vice versa.
- (2) Methodology, research design and analysis.
- (3) Timeliness of data.
- (4) Comprehensiveness.

The remainder of this section presents the Council's findings concerning the value of the Impact study for projecting the economic benefits of the Wando Terminal project.

Calculations and Mechanical Aspects

The Council performed sample checks on about 50% of the calculations contained in the Impact study and found no significant errors. The discrepancies found were rounding or transposition errors and did not affect the conclusions of the report.

For example, gross revenues for port related firms were listed differently in the text on page 78 of the report than in Table 33 on page 79. Also, port induced taxes for port dependent firms were listed differently in Table 54 (p. 81) and Table 40 (p. 102). These errors were brought to the attention of the authors of the Impact study. Corrections were made and recorded by the Council.

Methodology

The Council researched and reviewed the various methodologies used in the Impact study. Included among them were the use of specific multipliers to estimate expanded economic benefits to the larger, indirectly benefiting population outside the ports area and to project port complex employment as a function of tonnage increases. Also questioned was the method for using information gathered from firms responding to a survey to generalize responses for firms that did not respond.

The Council concluded that the methods used were reasonable and did not seriously bias the results. However, it would have been more accurate to state the projected economic benefits as ranges rather than as single amounts because the methodologies involved are not exact. Variations in any of a large number of variables could result in changes in the results.

The authors of the Impact study stated, in a subsequent document, "Since any study of economic impact requires a considerable degree of professional judgment, we can understand how another researcher might obtain somewhat different results." The benefits contained in the Impact study were apparently included in ranges developed during the study but not used in the document.

Timeliness of Data

Much of the data used for economic projections were developed around the time the project was proposed and is now four or more years old. The Impact study was published in October 1974; the Arthur D. Little study in September 1974; and the last update of the Kaiser Engineers study in October 1973 (See bibliography for details). During the intervening period, significant economic

changes have occurred. For example, inflation has been high and the value of the dollar has fluctuated in overseas markets. These factors would have an effect on the impact of port development.

At the present time some actual data are available for comparison with projections. For example, analysis of Ports Authority tonnage data for FY 76-77 and FY 77-78 indicates that projections contained in the Impact study are slightly conservative. This indicates that economic benefits could be slightly higher than expected if the trend continues.

Comprehensiveness

During its analysis of the Impact study, the Council examined a number of areas related to the cost of port expansion and the economic benefits that could be expected. These areas were not analyzed in the Impact study because they were either not issues at the time or were outside the scope of the study. Among these areas are port-related transportation systems, the cost of an access channel from the harbor to the Wando site and port facilities utilization levels.

(1) Transportation Systems

The Cooper River Bridges provide a major access highway to and from the Wando Terminal. The Charleston Ports Access Study published in 1974 by Wilbur Smith and Associates at a cost of about \$70,500 stated that "the Cooper River Bridges will approach capacity by the latter part of the decade (1970's). Plans for substantial residential developments in Mount Pleasant and on the Isle of Palms tend to reinforce this conclusion. It is very likely that the bridges will

experience extensive periods of congestion until the Inner Belt Freeway is completed."

On October 30, 1978, Wilbur Smith and Associates informed the Legislative Audit Council "that the computations and projections contained in our report for the Ports Authority were very much on the conservative side and that the bridges will be capable of serving traffic growth, at reasonable service levels, until the mid 1980's or beyond."

(2) Access Channel Costs

The Ports Authority proposal does not provide for funding for a harbor channel connecting the existing channels with the Wando site. Federal funds in the amount of about \$4.5 million to construct this 40-foot deep two-mile extension channel were contained in Section 495 of HR 8309. However, this authorization was killed during the recently adjourned session of the 95th Congress.

If Federal funds will not be available, the channel must be constructed using State funds or Ports Authority revenues. The Ports Authority has indicated that they will utilize \$2.5 million of Ports Authority funds for construction of a 35-foot deep channel. This additional cost should be included in the cost of the project and in all cost/benefit analyses.

(3) Utilization of Existing Facilities

The economic impact of any port is directly related to the amount of cargo it handles. This capacity is governed by several factors:

- a. The availability of docking facilities,
- b. Efficiency of unloading and loading,
- c. Storage space, and
- d. Transportation system.

The overall efficiency of the port will be limited to the capacity of the weakest of these links. For example, if docking facilities are available but no storage space exists the port will be unable to service ships.

Legitimate questions have arisen concerning which of the above factors is the real weak link in Charleston Harbor. The Arthur D. Little study points out that "careful analysis of existing conditions indicates clearly that the bottleneck has been caused by lack of back-up space and support structures, and not (in most instances) by berth availability." Since that time (1974) the Ports Authority has spent about \$12 million on improvements of these facilities. However, physical examination of storage facilities indicates that back-up space remains a problem. Ports Authority attempts to acquire additional storage space for facilities on the west bank of the Cooper River support this conclusion.

During FY 77-78, 773 general cargo and 427 container ships were served at eight Ports Authority berths in Charleston Harbor (3 at Columbus Street, 3 at North Charleston and 2 at Union Pier). Allowing two days to service general cargo ships and one day for container ships, total berth time is 1,973 days. This is an average of 247 days of utilization per year at each of these eight berths.

SECTION II

ADDITIONAL AREAS RELATED TO COSTS AND BENEFITS

This section contains discussions of several factors which are related to the overall question of the economic benefits of the Wando project. It is the opinion of the Council that the Budget and Control Board should not make its final determination on this project without first considering these issues.

Use of Ports Authority Revenue for Retiring General Obligation Bonds

The Ports Authority operates under a bond resolution which pledges the Authority's net revenues for the payment of principle and interest on Series 1967 Revenue Bonds. At present it is uncertain whether additional revenues would be available for retiring the General Obligation Bonds now being considered for issuance. Currently, Ports Authority earnings reserves and future revenue bonds are committed to construction of Phase II of the Wando project and to meeting future capital needs.

However, Ports Authority's revenue and expenditure levels will change during the 15 to 20 year life of the bonds. If growth projections prove to be accurate, increased earnings should result. It is the Council's opinion that Ports Authority net income beyond existing obligations should be used to retire the General Obligation Bonds issued for the Wando project.

Ongoing Litigation

The National Wildlife Federation, South Carolina Wildlife Federation, Save the Wando Association and the Town of Sullivan's Island are currently bringing suit against the Army Corps of

Engineers, Department of the Interior and Environmental Protection Agency in the Federal District Court in Charleston. The State Ports Authority is an intervenor in that suit. Among the major allegations are that permits for the Wando project were issued in violation of the National Environmental Policy Act and that the Environmental Impact Study for the project is inadequate.

It is unclear exactly what effect this will have on the sale of bonds. It appears that the litigation will not materially affect the State's ability to pay off the bonds. Thus the certificate necessary for sale may be issued. However, litigation can delay or stop the project. In this case no public purpose for the bonds would exist.

CONCLUSION

The Legislative Audit Council concludes that the Impact study provides a basis for a general prediction of economic benefits of the Wando Terminal project given the situation and conditions that existed at the time of its publication. The authors of the Impact study have stated that "they believe that their results still represent a reasonable estimate of the economic impact of the proposed Wando Terminal, given the scenario that was reasonable at the time." The Council would tend to agree with this opinion as far as the methodology and mechanical aspects of the report are concerned.

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SOUTH CAROLINA STATE PORTS AUTHORITY

P. O. BOX 217 CHARLESTON, SOUTH CAROLINA 29402
TELEPHONE 803 733-8651

October 31, 1978

Legislative Audit Council
Suite 500, Bankers Trust Tower
1301 Gervais Street
Columbia, South Carolina 29201

Gentlemen:

Thank you for the opportunity to comment on the Legislative Audit Council's review of the study entitled "Impact of the State Ports Authority Upon the Economy of South Carolina," published in 1974 by the Division of Research of the Bureau of Business and Economic Research of the University of South Carolina. We agree with your conclusion that "the impact study provides a basis for a general prediction of economic benefits that existed at the time of its publication." Information available to us also supports your view that given a continuation of present business trends, the economic benefits might be slightly higher than those predicted.

The Council's review also considered briefly a number of issues that were outside the scope of the impact study. Comprehensive and current data on these and other issues related to the Wando port development are available in a number of studies developed during the past five years of review and analysis on the terminal project, and in the financial and operational reports of the Authority. We also note that your quotation about back-up space, taken out of context, does not fairly represent the evaluation by either the Ports Authority or Arthur D. Little, Inc.

The Council's study also suggests the possibility that the development of the Wando terminal would improve the Authority's revenue picture in future years to the extent that the Authority would be in a position to sustain all or part of the carrying costs of the General Obligation Bonds, in addition to meeting its own capital and internal operating requirements. Figures available to us now do not enable us to project these revenues that far into the future with confidence. Should such a situation develop in 15 or 20 years, I believe the members of the Ports Authority Board and the state leadership at that time would act prudently in the best interest of South Carolina. Also, we cannot agree with your statement that the funds from the General Obligation

Legislative Audit Council

Page 2

October 31, 1978

Bond issue would not be for a public purpose if the terminal construction were halted by litigation. These funds would still be available for a public project if they were not expended for the terminal development. In any event, the funds would and could not be expended for other than a public purpose.

We appreciate your including these comments as part of the Legislative Audit Council's review.

Sincerely,



W. Donald Welch
Executive Director

WDW:lb

19

STATE BUDGET AND CONTROL BOARD

EXHIBIT XII
9 11/10/78

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 9

Agency: Various

Subject: Positions Above Number Authorized and Funding Source Change Requests
(Please refer to attachments for details.)

Board Action Requested:

Consider

Staff Comment:

Please note that approval of the Department of Mental Health request for six additional positions is not recommended by staff.

Attachments:

Summary sheet plus detailed forms and related information

SUMMARY

<u>Agency</u>	<u>Positions</u>	<u>Type</u>
√ (1) The Citadel	1	Above Number Authorized
√ (2) Advisory Board for Review of Foster Care of Children	1	Above Number Authorized
√ (3) DSS	33	Above Number Authorized
√ (4) Division of Administration	2	Funding Source Change
(5) Finance Division/Comptroller General's Office	2	Above Number Authorized
(6) Department of Mental Health (Community Mental Health)	6	Above Number Authorized
(7) Commission for the Blind	2	Above Number Authorized
(8) Department of Corrections	2	Above Number Authorized
(9) Probation, Parole & Pardon Board	5	Above Number Authorized

Re #6 - 79 position overage reduced to 20 over as of 11/3 per Dorn

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

Code No. H09

Agency The Citadel

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at The Citadel

Beach Club as follows:

<u>No. Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class Code</u>	<u>Est. Annual Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Canteen Operator II	12		8,000	80%		20%

Request Justification:

The funds for this position will be shifted from temporary to permanent funds. According to the Citadel, it is difficult to recruit temporary help. The Citadel believes that a permanent position will be more attractive and abate turn-overs in personnel. (Reference letter from Lee Martin 9/8/78).

Recommend Approval

Recommend Disapproval

J.M. Cooper
 State Budget Analyst

Ed Garrison
 Budget Section Director/Asst. Dir.

Sept 25 1978
 Date

9/25/78
 Date

THE CITADEL

THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, S. C. 29409

8 September 1978

OFFICE OF THE
DIRECTOR OF PERSONNEL
AND ADMINISTRATION

Dear John,

Two new classified positions have been approved internally for The Citadel. Since there are no established procedures as yet to get these positions authorized with the State Budget and Control Board, I am addressing this matter to you with request that you take action to have the positions approved so that they can be filled earliest.

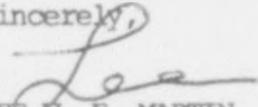
One position is for The Citadel Beach Club. The PQ for this position is already in the hands of the Classification Analyst, Mr. E.J. Newby, State Personnel Division. E.J. has tentatively slated the position to be classified as a Canteen Operator II, Grade 12. The funds to support this position will be shifted from temporary to permanent staffing funds. Presently, The Citadel Beach Club has \$11,000 budgeted to support temporary help. However, in recent months considerable difficulty has been experienced in recruiting and retaining temporary help. Therefore, it is believed that a permanent position will be more attractive and abate turn-overs in personnel. Funding for the position would be 80% state and 20% other.

The second position is for The Citadel Canteen, a self-supporting activity completely. The PQ to establish this position is forwarded by copy of this letter to E.J. since I do not know classification in which this position will fall. I will work directly with E.J. on the classification. Funds to support the position will come directly from the Canteen, where students are now used to provide the service. While the Canteen is asking for a Vending Supervisor to accomplish the services, I do not now know what grade, title, class code the new position will have.

Copies of the PQ's, along with supporting correspondence, are attached in the event you will require such to obtain approval. Again, please deal directly with E.J. so that the positions can be established earliest.

Thank you for your assistance in this matter.

Sincerely,


LEE V. E. MARTIN
Personnel Director

Attachments
As stated

Mr. John Cooper
Budget Analyst
Office of the State Auditor
P. O. Box 11333
Columbia, S.C. 29211

RECEIVED

SEP 12 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. H09

Agency The Citadel

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

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Beach Club as follows:

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					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Canteen Operator II	12		8,000	80%	20%	

Request Justification:

The funds for this position will be shifted from temporary to permanent funds. According to the Citadel, it is difficult to recruit temporary help. The Citadel believes that a permanent position will be more attractive and abate turn-overs in personnel. (Reference letter from Lee Martin 9/8/78).

Recommend Approval

Recommend Disapproval

J. L. Green
State Budget Analyst

[Signature]
Budget Section Director/Asst. Dir.

Sept 25 1978
Date/

9/25/78
Date

THE CITADEL

THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, S. C. 29409

8 September 1978

OFFICE OF THE
DIRECTOR OF PERSONNEL
AND ADMINISTRATION

Dear John,

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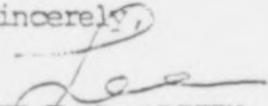
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Copies of the PQ's, along with supporting correspondence, are attached in the event you will require such to obtain approval. Again, please deal directly with E.J. so that the positions can be established earliest.

Thank you for your assistance in this matter.

Sincerely,


LEE V. E. MARTIN
Personnel Director

Attachments
As stated

Mr. John Cooper
Budget Analyst
Office of the State Auditor
P. O. Box 11333
Columbia, S.C. 29211

BUDGET AND CONTROL BOARD
FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. L16

Agency Children's Foster Care Review Board

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at Columbia

as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u> <u>State Federal Other</u>
1	Accounting Type				100%

Request Justification:

PQ has not been received at Personnel.
The money necessary to pay this position will be transferred from other contractual services within their own budget.

Recommend Approval

Recommend Disapproval

Preston T. Cantrell
State Budget Analyst

11-9-78

Date

Edith Garrison
Budget Section Director/Asst. Dir.

11/9/78

Date

Budget

Make request



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

October 30, 1978

Bucky [unclear]
9:00

Mr. William T. Putnam
Executive Director
Budget and Control Board
P.O. Box 12444
Columbia, South Carolina 29211

Dear Mr. Putnam:

According to Mr. Jerry Branham, the Budget and Control Board has decided that our agency should employ a staff person to assume our accounting and personnel functions that are now being performed by the Division of Administration. We understand that the Budget and Control Board preferred this plan instead of our agency contracting with the Division of Administration for the continuance of accounting and personnel services. Mr. Branham has advised us that the Budget and Control Board will be meeting on Tuesday, October 31, 1978, and that we should request that the board give its official approval for a new position, an accountant, for our agency and for the transfer of the necessary funds from contractual services to personal services and employee benefits accounts.

Please let us know the outcome of these requests. Thank you for your help.

Sincerely,

Barbara Chappell
Barbara Chappell
Director

cc: Mr. Jerry Branham

RECEIVED

NOV 8 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

Budget

Make report



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

October 30, 1978

Backy Davis
9:00

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Executive Director
Budget and Control Board
P.O. Box 12444
Columbia, South Carolina 29211

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Please let us know the outcome of these requests. Thank you for your help.

Sincerely,
Barbara Chappell
Barbara Chappell
Director

cc: Mr. Jerry Branham

RECEIVED

NOV 8 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. 116

Agency Advisory Board for Review of Foster Care of Children

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at Advisory Board for Review
of Foster Care of Children as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Accounting Clerk III	16	0378	8,032	100%		

Position to be stationed in Governor's Office - Division of Administration

Request Justification:

Mr. Jerry Branham states he cannot provide services to Foster Care without extra help.

Comments:

If position is to be stationed in Division of Administration and under supervision of DOA, then position should be assigned to DOA.

Recommend Approval

Recommend Disapproval

State Budget Analyst

Date

Budget Section Director/Asst. Dir.

Date



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

AUG 17
STATE AUDITOR'S OFFICE
BUDGET DIVISION

August 16, 1978

State Budget and Control Board
c/o Mr. Preston Cantrell
Budget Analyst
Office of the State Auditor
P.O. Box 11333
Columbia, South Carolina 29211

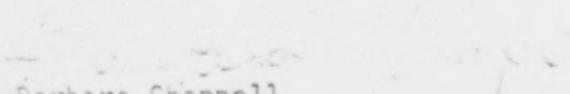
Gentlemen:

The purpose of this letter is to request that our agency be permitted to create, as soon as possible, a new position of Accounting Clerk III, Grade 16, and fund this position with monies now budgeted for Other Contractual Services. We originally requested the funds in the Other Contractual Services category in order to purchase accounting services and some personnel services from a larger State agency. The Division of Administration in the Governor's Office is quite willing to continue to provide us with the necessary services during the current fiscal year, but they cannot do so without the addition of the requested position. In summary, if our request is granted, we would station the Accounting Clerk III in the Governor's Office so that agency could continue to provide us with the needed services.

We feel that the above plan for obtaining the necessary accounting and personnel services is the most economical one in view of the small size of our agency. The only alternative which comes to mind would be to hire a person to work in our own office to provide these services; the responsibilities of such a position would be such, however, that the position would undoubtedly be classified at a level considerably higher than a Grade 16--probably as a Grade 23, Accountant II.

We would very much appreciate your consideration of this request and hope to hear from you as quickly as possible regarding this matter. Please contact us or Mr. Jerry Branham in the Governor's Office if you should have any questions regarding this request.

Sincerely,


Barbara Chappell
Director

cc: Mr. Jerry Branham



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

RECEIVED

AUG 17

STATE AUDITOR'S OFFICE
BUDGET DIVISION

August 16, 1978

State Budget and Control Board
c/o Mr. Preston Cantrell
Budget Analyst
Office of the State Auditor
P.O. Box 11333
Columbia, South Carolina 29211

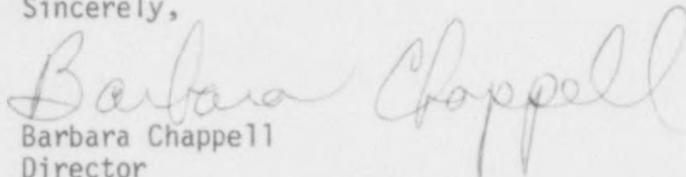
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Sincerely,


Barbara Chappell
Director

cc: Mr. Jerry Branham

F DIVISION
BUDGET DEVELOPMENT

Code No. L16

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Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

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as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Accounting Type				100%		

Request Justification:

PQ has not been received at Personnel.
The money necessary to pay this position will be transferred from other contractual services within their own budget.

Recommend Approval

Recommend Disapproval

Arthur T. Campbell
State Budget Analyst

11-9-78
Date

E. L. Garrison
Budget Section Director/Asst. Dir.

11/9/78
Date

Make request

Budget



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

October 30, 1978

Fudy Davis
9:00

Mr. William T. Putnam
Executive Director
Budget and Control Board
P.O. Box 12444
Columbia, South Carolina 29211

Dear Mr. Putnam:

According to Mr. Jerry Branham, the Budget and Control Board has decided that our agency should employ a staff person to assume our accounting and personnel functions that are now being performed by the Division of Administration. We understand that the Budget and Control Board preferred this plan instead of our agency contracting with the Division of Administration for the continuance of accounting and personnel services. Mr. Branham has advised us that the Budget and Control Board will be meeting on Tuesday, October 31, 1978, and that we should request that the board give its official approval for a new position, an accountant, for our agency and for the transfer of the necessary funds from contractual services to personal services and employee benefits accounts.

Please let us know the outcome of these requests. Thank you for your help.

Sincerely,

Barbara Chappell
Barbara Chappell
Director

cc: Mr. Jerry Branham

RECEIVED

NOV 8 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. L16

Agency Advisory Board for Review of Foster Care of Children

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at Advisory Board for Review
of Foster Care of Children as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Accounting Clerk III	16	0378	8,032	100%		

Position to be stationed in Governor's Office - Division of Administration

Request Justification:

Mr. Jerry Branham states he cannot provide services to Foster Care without extra help.

Comments:

If position is to be stationed in Division of Administration and under supervision of DOA, then position should be assigned to DOA.

Recommend Approval

Recommend Disapproval

State Budget Analyst

Date

Budget Section Director/Asst. Dir.

Date



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

AUG 17
STATE AUDITOR'S OFFICE
BUDGET DIVISION

August 16, 1978

State Budget and Control Board
c/o Mr. Preston Cantrell
Budget Analyst
Office of the State Auditor
P.O. Box 11333
Columbia, South Carolina 29211

Gentlemen:

The purpose of this letter is to request that our agency be permitted to create, as soon as possible, a new position of Accounting Clerk III, Grade 16, and fund this position with monies now budgeted for Other Contractual Services. We originally requested the funds in the Other Contractual Services category in order to purchase accounting services and some personnel services from a larger State agency. The Division of Administration in the Governor's Office is quite willing to continue to provide us with the necessary services during the current fiscal year, but they cannot do so without the addition of the requested position. In summary, if our request is granted, we would station the Accounting Clerk III in the Governor's Office so that agency could continue to provide us with the needed services.

We feel that the above plan for obtaining the necessary accounting and personnel services is the most economical one in view of the small size of our agency. The only alternative which comes to mind would be to hire a person to work in our own office to provide these services; the responsibilities of such a position would be such, however, that the position would undoubtedly be classified at a level considerably higher than a Grade 16--probably as a Grade 23, Accountant II.

We would very much appreciate your consideration of this request and hope to hear from you as quickly as possible regarding this matter. Please contact us or Mr. Jerry Branham in the Governor's Office if you should have any questions regarding this request.

Sincerely,


Barbara Chappell
Director

cc: Mr. Jerry Branham

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

007 10 1978

Code No. D15

Agency Governor's Office - DOA

Subject: Request for State Funded positions exceeding number authorized in 1978-79 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
9999	0008		Program Director	28,618	-	100	-	33	67	-

Request Justification:

This position was transferred originally to take advantage of Federal Funds.

Recommend Approval

Recommend Disapproval

W. A. ...
 State Budget Analyst

10/13/78
 Date

E. ...
 Budget Section Director/Asst. Dir.

11/06/78
 Date

BUDGET AND CONTROL BOARD
FINANCE DIVISION
BUDGET DEVELOPMENT

OCT 16 1976

Code No. D15

Agency Governor's Office - DOA

Subject: Request for State Funded positions exceeding number authorized in 1978-79 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
	0310	0001	Off. Srvs. Aide	6,923	-	100	-	100	-	-

Request Justification:

1. This position was brought over from the Division of Health and Social Development.
2. Request is made to transfer the position to the Administrative program in DOA

Recommend Approval

Recommend Disapproval

[Signature]
State Budget Analyst

10/13/78
Date

[Signature]
Budget Section Director/Asst. Dir.

10/16/78
Date

STATE OF SOUTH CAROLINA
PERSONNEL ADVISE AND INFORMATION SHEET

CORRECTION

07/12/78

POSITION INFORMATION

AGENCY NAME CORRECTION DEPT				AGENCY CODE 1000		CLASSIFICATION TITLE LEAD OFF SVCS AIDE				CLASS CODE 0310	SLOT 2001	REAS 03	PERF 08	GRADE 08	MINIMUM 5,230	MAXIMUM 8,008	DATE CRIAL 06/02/78
STATE FUNDS PERCENT	STATE FUNDS AMOUNT	FEDERAL FUNDS PERCENT	FEDERAL FUNDS AMOUNT	COTHER FUNDS PERCENT	COTHER FUNDS AMOUNT	PAY RATE	ANNUAL EQUIVALENT	ADJUST BENEFITS	DATE LAST	SALARY CHANGE	REVIEW DATE						
532	100.00	532	100.00	532	100.00	5192	6923			06/23/78	06/09/78						

EMPLOYEE INFORMATION

NAME 990 LEONARD			S S NUMBER 980 247-78-6511		SEX M	RACE W	M S 5	EDUC 12	DATE OF BIRTH 653 12/31/55	RETIREMENT NO 770	JOB DATE 655 06/09/78	AGN HIRE DATE 654 06/09/78	STATE SER DATE 656 06/09/78	MRH SYS DATE 658 06/09/78
------------------------	--	--	----------------------------------	--	----------	-----------	----------	------------	----------------------------------	----------------------	-----------------------------	----------------------------------	-----------------------------------	---------------------------------

EMPLOYEE WORK HISTORY

EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	PERF	F/P	ANNUAL EQUIVALENT	EFFECTIVE DATE	REAS	AGENCY	CLASS CODE	GRADE	PERF	F/P	ANNUAL EQUIVALENT
06/09/78	06	050	0310	08 2			6,656								
								906							
								907							
								908							
								909							
								910							

TRANSACTION

SAL CHANGE
 FILL VACANCY
 REPLACEMENT
 CORRECTION
 MSS CHANGE
 DELETE
 TERMINATE

AGENCY USE

REPORT NO 0000229	EMPLOYEE NBR 771	DISTRICT 317	BUDGET AREA 401	MISC. 1 104	MISC. 2 811	MISC. 3 812	MISC. 4 813	MISC. 5 814	AGENCY IDENTIFIER 009 D15-012904.00 02504040000	POSITION NUMBER 000668	ACCESSION SOURCE UNSOLICITED
----------------------	---------------------	-----------------	--------------------	----------------	----------------	----------------	----------------	----------------	----------------------------------------------------------	---------------------------	---------------------------------

AGENCY REMARKS

[Signature: Crow Bone] 8/11/78
 [Stamp: Incomplete]

TERMINATION REASON	CODE 215	TERMINATE DATE 652
MSYS STA 111	PERFORMANCE	CODE 218
		EFFECTIVE DATE 652
REASONS FOR SALARY CHANGE	CODE 210	AMOUNT 539
	217	540

APPROVAL OF THIS REQUEST BY THE STATE BUDGET AND CONTROL BOARD IS CONDITIONED ON THE PRESENT AVAILABILITY OF FUNDS TO COVER THE ADDITIONAL COST THEREOF.

SIGNATURE FOR THE BOARD: RICHARDSON
 DATE: 07/12/78

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. _____

Agency Finance Division/Comptroller General's Office

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 2 new positions at _____

_____ as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u> <u>State Federal Other</u>		
1	Accountant	29					
1	Systems Analyst	29					

Request Justification:

Recommend Approval

Recommend Disapproval

State Budget Analyst

Date

Budget Section Director/Asst. Dir.

Date

Code No. J12

Agency Department of Mental Health
Community Mental Health Division

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 6 new positions at Waccamaw

Center and Coastal Center as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
(1)	Project Developer	25	3042	13,016	100%		
(3)	Mental Health Tech.	10	4439	6,237	100%		
(1)	Clinical Social Work. II	24	5332	12,331	100%		
(1)	Psychologist II	24	5532	12,331	25%	50%	25%

Points of Analysis

Note: The total of the first five positions = \$44,053. These costs plus the attendant costs are funded in the 1978 supplemental appropriation act, under Precare Screening and Aftercare on page 426, \$500,000. No headcount was appropriated therein. The funding for the Psychologist II position remained in the 1978-79 appropriations. Only the headcount of (1) position is being requested.

-See attachment: Analysis Continued

Recommend Approval

Recommend Disapproval - Until such time as agency deletes adequate State headcount so as not to further adversely impact the existing problem. (Refer to attached.)

George A. Dorn Jr.
State Budget Analyst

11/2/78
Date

[Signature]
Budget Section Director/Asst. Dir.

11/2/78
Date

ANALYSIS - CONTINUED - D.M.H.

This action is in keeping with the priorities of the agency as reflected in both 78-79 and 79-80 budgets.

Other important points:

As of October 26, 1978 the Department of Mental Health was carrying, as per State personnel records, 5122 State headcount positions, against an authorized State strength of 5043 (78-79 bill plus subsequent actions). This puts D.M.H. over strength 79 positions as of October 26, 1978. It should be noted that D.M.H. administration is aware of this problem and is currently working on a reconcilliation program. The Community Mental Health Division headcount is currently under by 2 positions as best as I can determine.

Down
to 20
over 11/3
per Perm

As of October 10, 1978 vacancy roster D.M.H. had actual total vacancies numbering: 441 representing 7.7% vacancies - 104 of these vacancies occur in Community Mental Health, 75 of which show all or partial State funding.

As of October 10, 1978 report D.M.H. had a total of ten Psychologist positions vacant, 3 of which are Psychologist II's, as requested, and they are carried in Community Mental Health Division.

My best estimate indicates that 39 of the above cited 441 vacancies are 12 months or older.



Garrison Horn
South Carolina Department of Mental Health

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202 / (803) 758-8090

William S. Hall, M.D.
State Commissioner of Mental Health

October 20, 1978

Mr. Edgar A. Vaughn, Jr.
State Auditor
P.O. Box 11333
Columbia, South Carolina 29211

Dear Mr. Vaughn:

This is in response to your letter dated October 12, 1978 in which you express concern over headcount and vacancy problems within the Department of Mental Health. The Department is in fact over the authorized number of State funded positions; however Community Mental Health Services is not over the authorized number of State funded positions. It does not seem that one Division should be penalized for the excesses of other Division(s) within the Department.

The computer listing of vacancies which showed Community Mental Health Services with one hundred fifty eight (158) vacancies has been analyzed with the following results. Forty seven (47) positions have been deleted, sixteen (16) positions have been filled and ninety five (95) positions are vacant. Furthermore of these vacant positions only sixty six (66) are State funded. This does not seem to be an unreasonably high number of vacancies for a Division with almost 700 State funded positions.

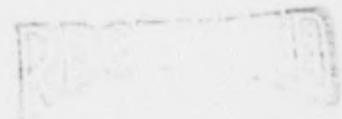
Based on this information we wish to resubmit the request dated October 4, 1978 for your consideration and, hopefully, approval. Please contact me again if there are further difficulties with this request.

Sincerely,

Raymond E. Ackerman, M.D.
Raymond E. Ackerman, M.D.
Deputy Commissioner
Community Mental Health Services

REA:TAM

CC: Jack Balling, SCDMH Budget Analyst
George Dorn, Budget Analyst
Edward J. Owens, Jr., Acting Deputy Commissioner, DOAS



STATE AUDITOR'S OFFICE
BUDGET



South Carolina Department of Mental Health

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202 / (803) 758-8090

William S. Hall, M.D.
State Commissioner of Mental Health

October 4, 1978

J.P. Putnam
Mr. William T. Putnam
State Auditor
P.O. Box 11333
Columbia, South Carolina 29211

Attention: Mr. George Dorn, Budget Analyst

Dear Mr. Dorn:

Per the attached letter, additional state funds have been appropriated for the development of a Court Screening Program. Approval is requested to increase headcount for the Waccamaw Center by 5.

Approval is requested also to re-instate a Psychologist II position in the Coastal Area Mental Health Center which was abolished due to having been vacant for a period of more than 12 months. They do have a candidate for immediate employment.

Please feel free to contact me for further clarification.

Sincerely,

Raymond E. Ackerman, M.D.
Raymond E. Ackerman, M.D.
Deputy Commissioner
Community Mental Health Services

REA:amw

attachments

cc: Tom Marsh, CMHS Finance Officer

Jack Balling, SCDMH Budget Analyst

P.S. Also attached is justification for these funds submitted to the House, Ways and Means Committee in February, which addressed the need for personal services and operating costs flexibility.

*JACK - AS PER OUR 11 OCT 78 CONVERSATION
I AM RETURNING THIS TO YOU -
PLEASE ADVISE
DORN*

RECEIVED
OCT 13 1978
DIVISION OF
ADMINISTRATIVE SVCS.



James W. Pearson, ACSW
Administrative Director

The Waccamaw Center For Mental Health

A Facility of the South Carolina Department of Mental Health

P. O. Box 764 / 706 Laurel St. / Conway, S. C. 29526 / (803) 248-4926 or 248-9543

Georgetown County

P. O. Box 718 (2710 Highmarket),
Georgetown, S. C. 29440

(803) 646-5107

Horry County

P. O. Box 2889 (1004 Chester St.)
Myrtle Beach, S. C. 29577

(803) 448-1431

Williamsburg County

P. O. Box 754 (209 N. Academy St.)

Kingstree, S. C. 29556

(803) 854-6922

RECEIVED

OCT 13 1978

September 29, 1978

DIVISION OF
ADMINISTRATIVE SVCS.



Raymond E. Ackerman, M.D., Deputy Commissioner
Community Mental Health Services
Attn: Mrs. Robbie Yarborough, Personnel
Post Office Box 485
Columbia, South Carolina 29202

Dear Dr. Ackerman:

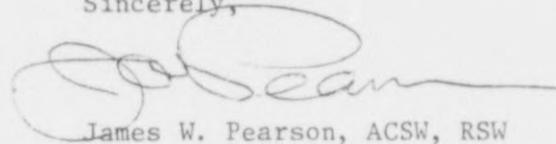
In order to develop the proposed Court Screening Program through the Waccamaw Center, five positions will need to be established. They are the following:

- I. One (1) Project Developer - This position will be responsible for the overall coordination/direction of the home visitation team and carrying out administrative, evaluative and planning duties associated with the program.
- II. Three (3) Mental Health Aides - These positions will be employed to be available to the Conway Hospital Unit as support and patient management personnel to assist in care of hospitalized patients.
- III. One (1) Social Worker/Psychologist - This position will be used to offer counseling and supportive out-patient services to patients and families as the program caseload and activity develops to a maximum level.

We are requesting an increase in the head count of this facility reflecting these five positions. The requested positions are necessary to establish the program of court screening which has been given highest priority by the Stevens Committee and which has already received funding via the Supplemental Appropriations Act.

If there are any questions regarding the positions and/or the proposed program, please feel free to contact me.

Sincerely,



James W. Pearson, ACSW, RSW
Director

JWP/mlz

cc: Mr. Ray Mahaffey
Governing Board Chairman

Dan W. Brake, M.D., Chairman
Personnel Committee, Governing Board



file



Coastal Empire Mental Health Center

A Facility of the South Carolina Department of Mental Health

125 S. Ribaut Road / Beaufort, South Carolina 29902 / (803) 524-3378
Courthouse Annex / Hampton, South Carolina 29924 / (803) 943-2828
315 S. Lemacks Street / Walterboro, South Carolina 29488 / (803) 549-1551
P. O. Box 1216 / Green Street / Ridgeland, South Carolina 29936 / (803) 726-8030
P. O. Box 5541 / Medical Center / Hilton Head, South Carolina 29928 / (803) 785-4856
Memorial Avenue / Allendale, South Carolina 29810 / (803) 584-4219

RECEIVED

9/22/78

OCT 13 1978

DIVISION OF
ADMINISTRATIVE SVCS.

Dr. Raymond E. Ackerman
S. C. Dept. of Mental Health
P.O. Box 485
Columbia, SC 29201

Att; Robbie Yarborough

Dear Robbie:

I am writing in regards to position number ⁵⁶57, Psychologist III.

As discussed in our telephone conversation recently this position was abolished. This year it has been refunded and the Center would like to hire Mary K. Griffin, who will be the office director of the Hampton/Allendale area. Attached you will find an updated position questionnaire, downgrading the position to a Psychologist II.

Would appreciate your assistance in re-establishing this position as soon as possible.

Thanks,

Sincerely,

Janet L. Roseneau
Janet L. Roseneau,
Adm. Asst.

enclosure



COPY

RECEIVED

OCT 13 1978

SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH PROPOSAL
ADMINISTRATIVE SERVICES

Proposed budget for initiation of a court-screening process for three key mental health regions to reduce the emergency commitments and judicial commitments of patients to the central state hospitals.

The Department has proposed the establishment of a project similar to the Charleston Project in each of the state's mental health catchment areas with attention to some other specific problem areas. There were basically five components to this recommendation:

1. Recognition of a basic need for more psychiatrists in our system and addressing this need with provision of one additional psychiatrist per center
2. Active intervention in the commitment process at the probate court level with stabilization facilities for that purpose
3. Close collaboration, where possible, with local hospitals for support in this process
4. Provision of more community support for these patients - particularly alternative care
5. Addressing funding problems and related management issues - particularly attention to restrictions which prevent utilization of available funding in most practical ways.

* This proposed requested \$1,080,000 increased funding per year for three years for the purpose of establishing "court-screening" projects in each catchment area (\$3,240,000 total). These funds, in order to be appropriately usable, would need sufficient flexibility of use to allow significant changes in specific expenditures and costs from one area to another. This cost estimate was based on the following approximate breakdown:

leasing of facilities @ \$15,000
staffing of stabilization units @ \$150,000
psychiatric coverage @ \$40,000
contracts with hospitals @ \$25,000
alternate care @ \$20,000
TOTAL PER FACILITY -- \$250,000

(Costs of elements of this proposal already funded at Charleston and Anderson were omitted from these figures.)

While the above figures are considered to be valid annual estimates for cost of the proposed service, starting operation of a project will necessarily encounter some delays due to preparation, recruitment, contract initiation, education, etc. For this reason, it is anticipated that start-up funds could initiate more programs than could be maintained by those funds (though this would represent a commitment to higher funding the second year). With this

in mind, it is projected that an initial outlay of \$500,000 could be utilized to initiate three projects of this nature, thus committing to an outlay the second year of \$750,000 for maintenance of these three programs.

Given the above premises, we have selected three areas as proposed initiation areas for these projects with information regarding these areas indicated below. These areas are necessarily tentative since a number of problems would need to be worked out in order to begin a project. We have, however, tentatively explored feasibility with the center directors in these areas and feel that reasonable probability exists that they could be developed the first year.

(1) Spartanburg, Cherokee, Union - has comprehensive mental health center - lacks adequate psychiatric coverage for this purpose - available facilities which could probably be renovated to meet evaluation and stabilization unit needs - has working relationship with hospital which could help with longer stay voluntary patients once they were stabilized. Funds would be needed to be used for:

1. Additional psychiatric coverage
2. Contractual services with hospital
3. Evaluation-disposition team to work with emergency service, court, agencies
4. Renovation of "night-care" facility for additional security
5. Alternate-care community support - probably boarding home contractual funds
6. Staff for stabilization unit for 5-8 patients

(2) Greenville County - has comprehensive mental health center - lacks totally adequate psychiatric coverage for this purpose - needs facilities for stabilization-evaluation unit - has good working relationship with hospital. Funds would need to be used for:

1. Additional psychiatric coverage
2. Contractual services with hospital
3. Evaluation-disposition team to work with emergency service, court, agencies
4. Acquisition, on lease basis, of evaluation-stabilization facility with possible renovation of facility
5. Alternate-care community support - probably boarding home contractual funds
6. Staff for stabilization unit for 5-8 patients

(3) Waccamaw (Georgetown, Horry, Williamsburg) - has outpatient facility, strong consultative and educational program, satellite facilities in each county - lacks inpatient service and emergency service on 24-hour operational basis - would need additional psychiatric coverage and facility for evaluation-stabilization purposes. Funds would need to be used for:

1. Additional psychiatric coverage
2. Contractual services with hospital
3. Evaluation-disposition team to work with emergency service, court, agencies
4. Acquisition, on lease basis, of evaluation-stabilization facility with possible renovation of facility
5. Alternate-care community support - probably boarding home contractual funds
6. Staff for stabilization unit for 5-8 patients

COPY

-3-

These three areas were chosen on the basis of significant numbers of admissions which could be affected by the project, significant distance from Columbia so that transportation is a problem from the affected areas, and an effort to have at least one rural area involved in such a project. Also considered strongly was potential capability to develop such a project.

February 10, 1978

COPY

Projected FY 1978 statistics* on voluntary and emergency admissions to South Carolina State Hospital and Crafts-Farrow State Hospital from selected catchment areas.

Greenville County

	Voluntary	Emergency	Total
SCSH	108	194	302
CFSH	<u>20</u>	<u>52</u>	<u>72</u>
TOTAL	128	246	374

Spartanburg, Cherokee, Union Counties

	Voluntary	Emergency	Total
SCSH	28	262	290
CFSH	<u>2</u>	<u>88</u>	<u>90</u>
TOTAL	30	350	380

Georgetown, Horry, Williamsburg Counties

	Voluntary	Emergency	Total
SCSH	32	158	190
CFSH	<u>10</u>	<u>38</u>	<u>48</u>
TOTAL	42	196	238

Approximately 48% of the Emergency Admissions are released at the point of the Probate Court hearing. Of the 792 Emergency Admissions reflected in the tables above, it can be conservatively estimated that 380 of the people involved would not come to a State hospital facility if comprehensive programs for handling admissions within each of the catchment areas were operational.

(*) Projections based on actual admissions July 1, 1977 through January 31, 1978.

R.D.B.
February 14, 1978

BUDGET AND CONTROL BOARD
FINANCE DIVISION
BUDGET DEVELOPMENT

NOV 03 1978

Code No. L24

Agency S. C. Commission for the Blind

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

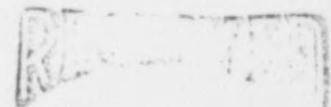
Request is to establish 2 new positions at Florence and

Charleston as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
2-part-time	VR Counselor Assistant	13	5001	\$3255 each	11½%	88½%	0

Request Justification:

There is great need in these two areas for secretarial help in order to serve our clients better. We would like to delete position #026449, class code 3042, slot 0001, grade 25, and replace it with these part-time positions.



NOV 2 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

Recommend Approval

Recommend Disapproval

Robert T. Cantrell
State Budget Analyst

11-2-78
Date

Edison
Budget Section Director/Asst. Dir.

11-2-78
Date

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

NOV 06 1978

Code No. N04

Agency Department of Corrections

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 2 new positions at Kirkland and Central

Abattoir as follows:

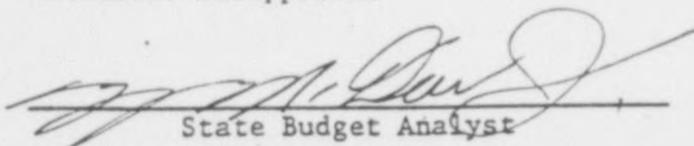
No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
(2)	Correctional Officer	17	7303	8480	100%		

These two correctional officer positions would be paid from bonds proceeds within the correction construction program as are the other civilian components listed on the attached. In the past several personnel actions by corrections involving correctional officers the department has absorbed the impact from existing vacancies (not including consent order actions).

In my estimation, the agency should not have to absorb operational officers positions which are already critically short for construction. The construction sites do need the additional security. This action would not affect the operational budget for 1978-79 or 79-80 according to the agency.

Recommend Approval

Recommend Disapproval


 State Budget Analyst

11-3-78

Date


 Budget Section Director/Asst. Dir.

11/6/78

Date



south carolina
department of corrections

NOV 03 1978

P.O. BOX 766/4444 BROAD RIVER ROAD COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 756-6444
WILLIAM D. LEEKE, Commissioner

November 1, 1978

Mr. William T. Putnam
Executive Director
Budget and Control Board
Box 12444
Columbia, S. C. 29211

Ref: New Positions - Capital Improvements

Dear Mr. Putnam:

This is to request two (2) Correctional Officer positions for our Phase I Capital Improvements. These positions are needed to provide inmate security at two construction locations, Kirkland Correctional Institution Infirmary and the Abattoir. Upon completion of these projects they would be transferred to other construction projects using inmate labor. The initial authority given by the Budget and Control Board to hire civilian personnel and fund those positions from Bond Funds did not include any security. A copy of the original staffing is attached. Salary and fringe for these two (2) positions would be approximately \$19,858 annually.

Favorable action concerning this request will be appreciated.

Sincerely,

S *Charles M. Case*
Charles M. Case

CMC/bdc

Enc.

BOARD OF
CORRECTIONS

W. M. CROMLEY, JR.
Chairman
Spartanburg, S. C.

MRS. BETTY M. CONDON
Vice-Chairman
Mt. Pleasant, S. C.

CLARENCE E. WATKINS
Secretary
Columbia, S. C.

NORMAN KIRKLAND
Member
Easley, S. C.

CHARLES C. MOORE
Member
Spartanburg, S. C.

E. N. ZEIGLER
Member
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

TABLE IV-5
ANNUAL CIVILIAN PERSONNEL NEEDS FOR PHASE I
(Constant 1977 Dollars)

<u>Office Staff</u>		
1	Construction Manager	\$ 30,000
1	Design Architect/Engineer	21,000
1	Draftsman	12,000
1	Construction Superintendent	18,000
1	Scheduler/Estimator	14,000
1	Expediter	12,000
1	Bookkeeper	10,000
1	Purchasing Agent	10,000
8	SubTotal	\$127,000
<u>Field Staff</u>		
2	Construction Supervisors	\$ 37,000
1	Plumbing Foreman	16,500
1	Masonry Foreman	16,500
1	Carpenter Foreman	16,500
1	Electrical Foreman	16,500
6	SubTotal	\$103,000
14	TOTAL	\$230,000

SOURCE: Stephen Carter & Associates
South Carolina Department of Corrections

BUDGET AND CONTROL BOARD
FINANCE DIVISION
BUDGET DEVELOPMENT

NOV 06 1978

Code No. N08

Agency Probation, Parole, and Pardon Board

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 5 new positions at State Wide

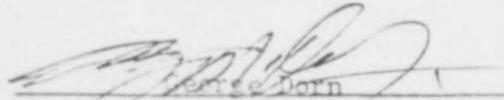
as follows:

No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
5	Prob. & Par. Officers I	20	5414	\$9,944	100		

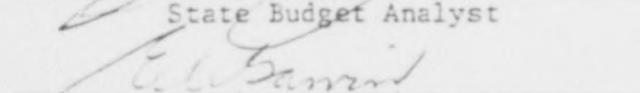
ANALYSIS:

1. Action would cost approximately \$40,763 for balance of FY 78-79. Funds are available to agency from unused funds appropriated 78-79 for conversion of CETA employees to State funds. Full year funding was appropriated but only three-fourths of year's funds were necessary for change. This sum amounts to approximately \$60,000 to \$70,000.
2. If approved, this request will require that funds be added to the agency's 1979-80 Budget. Annualized costs for this action approximate \$64,527.
3. Agency letters indicate current "supervising" agent case load is about 168 cases average. Office of Criminal Justice indicates that about 75-100 cases is national average, 23 of the 151 agents are "in charge" or investigating and do no supervision according to agency. LITTER BILL will probably impact this further. Agency indicates 700 per year.

- Recommend Approval - Costs for 79-80 Budget should be included as a part of any additional B & C Board recommendation for agency for 79-80.
- Recommend Disapproval



State Budget Analyst



Budget Section Director/Asst. Dir.

November 6, 1978

Date

11/6/78

Date

South Carolina Probation, Parole and Pardon Board

HON. WALTER D. TYLER, JR., CHAIRMAN
DISTRICT SIX

HON. JOHN E. HUSS, D.D.
DISTRICT ONE

HON. RHETT JACKSON
DISTRICT TWO

HON. H. L. LACKEY
MEMBER-AT-LARGE



GRADY A. WALLACE
DIRECTOR

HON. CHARLES R. SANDERS, JR.
VICE CHAIRMAN
DISTRICT THREE

HON. MARION BEASLEY
DISTRICT FOUR

HON. ELIZABETH M. MYERS
DISTRICT FIVE

ADDRESS: 2221 DEVINE ST.
6TH FLOOR
P.O. BOX 11368, C.S.
COLUMBIA, S.C. 29211

October 19, 1978

Mr. Edgar A. Vaughn
State Auditor
205 Wade Hampton Office Building
Columbia, South Carolina

Dear Mr. Vaughn:

It is requested that we be authorized to immediately hire five (5) additional Probation and Parole Officers, personnel grade 20, with starting salary of \$9,944.00, plus fringes.

This request is being made due to the fact that it is becoming increasingly more difficult for us to perform our services to our clients under supervision, and carrying out our mandate by statute of protection of society. We feel that this request is justified in that our Agents now have an average caseload of 160 clients each with a number of our Agents in certain counties having caseloads in excess of 200. Our caseload is more than twice to three times as many as the national suggested caseload for Probation and Parole work of 74 clients per office. The General Assembly recently passed the Litter Bill Law which alots additional credits toward eligibility for parole for productive work assignments at the Department of Corrections. This law will make approximately 700 more inmates eligible each year for parole consideration. This department is mandated by statute to investigate individuals eligible for parole consideration and this 700 additional eligible inmates will place a tremendous burden on our department not only in cases heard before the Board, but also in investigations that must be conducted in the field before these cases can be heard. We are already beginning to feel the impact of the passage of this Litter Bill in that inmates are already earning this additional credit thereby making them eligible early and causing us to be running two to three months behind in our consideration of these cases.

Mr. Edgar A. Vaughn

-2-

October 19, 1978

Additionally the Court is beginning to ask for more and more pre-sentence investigations in order to enable them to make better sentencing decisions and we are unable, with the present staff, to comply with these requests.

Your kind assistance in granting this urgent request for additional officers will be deeply appreciated.

Sincerely,

Grady A. Wallace
Grady A. Wallace
Director

GAW:dca

South Carolina Probation, Parole and Pardon Board

HON. WALTER D. TYLER, JR., CHAIRMAN
DISTRICT SIX

HON. JOHN E. HUSS, D.D.
DISTRICT ONE

HON. RHETT JACKSON
DISTRICT TWO

HON. H. L. LACKEY
MEMBER-AT-LARGE



GRADY A. WALLACE
DIRECTOR

November 3, 1978

HON. CHARLES R. SANDERS, JR.
VICE CHAIRMAN
DISTRICT THREE

HON. MARION BEASLEY
DISTRICT FOUR

HON. ELIZABETH M. MYERS
DISTRICT FIVE

ADDRESS: 2221 DEVINE ST.
6TH FLOOR
P.O. BOX 1136E, C.S.
COLUMBIA, S.C. 29211

Mr. George Dorn
Budget Analyst
Office of State Auditor
Wade Hampton Office Bldg.
Columbia, South Carolina

Dear Mr. Dorn:

As a follow-up to your conversation with Mrs. Hunter I wish to submit the following information:

We requested five (5) Probation and Parole Agents @\$9,944 annual salary (Grade 20) which would require \$6,775.76 for the balance of this fiscal year, plus \$1,376.86 in fringe benefits (Social Security, Police Officers Retirement, Workmen's Comp, Unemployment, Health Insurance), making a total of \$8,152.62 for each agent requested. This would be a total of \$24,457.86 for three (3) or \$40,763.10 for five (5).

REQUEST (5)
→ BY PHONE
MR. WALLACE
6 NOV 78

It is felt that we will be able to pay these agents this fiscal year, without incurring a deficit in our Personal Service monies, due to the fact that our CETA agents were not changed over to the State payroll until October 1 and yet the full year was budgeted for the switch over; however, neither these positions nor the funds have been budgeted for the 1979-80 fiscal year and should these be approved for 1978-79 we are requesting that funds be added for 1979-80.

At the present time we have one hundred twenty-eight (128) supervising agents with a total active caseload of 21,566 (average caseload of 168.48+). We have a total of one hundred fifty-one (151) Probation and Parole Agents and there is only one (1) unfilled position at the present time.

The new Litter Law Control Act is placing a heavy responsibility upon our department, causing many inmates to become eligible at a much earlier date than normal and we can certainly put these five (5) requested agents to full use should we be granted this request.

Thank you.

Very truly yours,

Grady A. Wallace
Grady A. Wallace
Director

DAN:esh

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

NOV 03 1978

Code No. L24

Agency S. C. Commission for the Blind

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 2 new positions at Florence and

Charleston as follows:

No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Perce:		
					State	Federal	Other
2 part-time	VR Counselor Assistant	13	5001	\$3255 each	11½%	88½%	0

Request Justification:

There is great need in these two areas for secretarial help in order to serve our clients better. We would like to delete position #026449, class code 3042, slot 0001, grade 25, and replace it with these part-time positions.

APPROVED
 NOV 10 1978
 Budget + Control Board
 W. A. McJunis

NOV 2 1978

STATE AUDITOR'S OFFICE
 BUDGET DIVISION

Recommend Approval

Recommend Disapproval

Justin T. Cantrell
 State Budget Analyst

11-2-78
 Date

William S. ...
 Budget Section Director/Asst. Dir.

11-2-78
 Date

Donna - what notes do you
have on this? It was
agenda # 9(7).

I have nothing at all on
this in my notes.

Center, Wateree River Institution (21-37)	**	42,665.00
CCI (21-83)		45,000.00
Walls & Cells MDC (21-89)		19,036.00
- Manning Correctional Institution (21-90)	.	2,000.00
System, Wateree River Institution (21-92)	*	13,000.00
Room & Install New Boiler Correctional Center (21-93)	*	9,000.00
Program & Evaluation Center (21-94)	**	7,292.00

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. H09

Agency The Citadel

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at The Citadel.

Beach Club as follows:

<u>No. Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class Code</u>	<u>Est. Annual Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Canteen Operator II	12		8,000	80%		20%

Request Justification:

The funds for this position will be shifted from temporary to permanent funds. According to the Citadel, it is difficult to recruit temporary help. The Citadel believes that a permanent position will be more attractive and abate turn-overs in personnel. (Reference letter from Lee Martin 9/8/78).

Recommend Approval

Recommend Disapproval

APPROVED
NOV 10 1978
Budget + Control Board

[Signature]
State Budget Analyst

W. A. McInnis

Nov 25 1978
Date/

[Signature]
Budget Section Director/Asst. Dir.

9/25/78
Date

FINANCE DIVISION
BUDGET DEVELOPMENT

Code No. L16

Agency Children's Foster Care Review Board

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 1 new positions at Columbia

as follows:

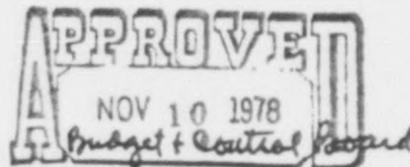
<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Accounting Type				100%		

Request Justification:

PQ has not been received at Personnel.
The money necessary to pay this position will be transferred from other contractual services within their own budget.

Recommend Approval

Recommend Disapproval



Robert T. Campbell
State Budget Analyst

11-9-78

Date

Ed Garrison
Budget Section Director/Asst. Dir.

11/9/78

Date

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

00 11 1978

Code No. D15

Agency Governor's Office - DOA

Subject: Request for State Funded positions exceeding number authorized in 1978-79 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
9999	0008		Program Director	28,618	-	100	-	33	67	-

Request Justification:

This position was transferred originally to take advantage of Federal Funds.

Recommend Approval

Recommend Disapproval

W. A. McInnis

State Budget Analyst

W. A. McInnis

Budget Section Director/Asst. Dir.

APPROVED
 NOV 10 1978
 Budget + Control Board

W. A. McInnis

10/13/78

Date

10/14/78

Date

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

OCT 16 1978

Code No. D15

Agency Governor's Office - DOA

Subject: Request for State Funded positions exceeding number authorized in 1978-79 Appropriation Act.

Request is to change funding source on position (s) as follows:

Pos. No.	Class Code	Slot	Position Title	Annual Salary	Current Source			Proposed Source		
					State	Federal	Other	State	Federal	Other
0310	0001		Off. Svcs. Aide	6,923	-	100	-	100	-	-

Request Justification:

1. This position was brought over from the Division of Health and Social Development.
2. Request is made to transfer the position to the Administrative program in DOA

Recommend Approval

Recommend Disapproval

[Signature]
 State Budget Analyst

[Signature]
 Budget Section Director/Asst. Dir.

APPROVED
 NOV 10 1978
 Budget & Control Board

W. McJannet

10/13/78
 Date

10/14/78
 Date

BUDGET DEVELOPMENT

Code No. _____

Agency Finance Division/Comptroller General's Office

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 2 new positions at _____

as follows:

<u>No.</u> <u>Positions</u>	<u>Position Title</u>	<u>Grade</u>	<u>Class</u> <u>Code</u>	<u>Est.</u> <u>Annual</u> <u>Salary</u>	<u>Source of Funds (Percent)</u>		
					<u>State</u>	<u>Federal</u>	<u>Other</u>
1	Accountant	29					
1	Systems Analyst	29					

Request Justification:

Recommend Approval

Recommend Disapproval

APPROVED
 NOV 10 1978
 Budget & Control Board
 W. McJannet

*Funding source: Accounting
System Study*

State Budget Analyst

Date

Budget Section Director/Asst. Dir.

Date

NOV 06 1978

Code No. N04

Agency Department of Corrections

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 2 new positions at Kirkland and Central

Abattoir as follows:

No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
(2)	Correctional Officer	17	7303	8480	100%		

These two correctional officer positions would be paid from bonds proceeds within the correction construction program as are the other civilian components listed on the attached. In the past several personnel actions by corrections involving correctional officers the department has absorbed the impact from existing vacancies (not including consent order actions).

In my estimation, the agency should not have to absorb operational officers positions which are already critically short for construction. The construction sites do need the additional security. This action would not affect the operational budget for 1978-79 or 79-80 according to the agency.

Recommend Approval

Recommend Disapproval

APPROVED
 NOV 10 1978
 Budget + Control Board

W. McJannet

[Signature]
 State Budget Analyst

11-3-78
 Date

[Signature]
 Budget Section Director/Asst. Dir.

11/6/78
 Date

BUDGET AND CONTROL BOARD
 FINANCE DIVISION
 BUDGET DEVELOPMENT

NOV 06 1978

Code No. N08

Agency Probation, Parole, and Pardon Board

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish 5 new positions at State Wide

as follows:

No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
5	Prob. & Par. Officers I	20	5414	\$9,944	100		

ANALYSIS:

1. Action would cost approximately \$40,763 for balance of FY 78-79. Funds are available to agency from unused funds appropriated 78-79 for conversion of CETA employees to State funds. Full year funding was appropriated but only three-fourths of year's funds were necessary for change. This sum amounts to approximately \$60,000 to \$70,000.
2. If approved, this request will require that funds be added to the agency's 1979-80 Budget. Annualized costs for this action approximate \$64,527.
3. Agency letters indicate current "supervising" agent case load is about 168 cases average. Office of Criminal Justice indicates that about 75-100 cases is national average, 23 of the 151 agents are "in charge" or investigating and do no supervision according to agency. LITTER BILL will probably impact this further. Agency indicates 700 per year.

Three (3) positions only
APPROVED
 NOV 10 1978
 Budget + Control Board
W. McJannet

- Recommend Approval - Costs for 79-80 Budget should be included as a part of any additional B & C Board recommendation for agency for 79-80.
- Recommend Disapproval

[Signature]
 State Budget Analyst

[Signature]
 Budget Section Director/Asst. Dir.

November 6, 1978
 Date

11/6/78
 Date

BUDGET AND CONTROL BOARD
FINANCE DIVISION
BUDGET DEVELOPMENT

NOV 06 1978

Code No. N08

Agency Probation, Parole, and Pardon Board

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

Request is to establish ³ (5) new positions at State Wide

as follows:

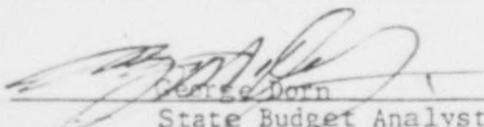
No. Positions	Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
3 (5)	Prob. & Par. Officers I	20	5414	\$9,944	100		

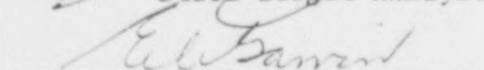
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Three (3) positions only
APPROVED
NOV 10 1978
Budget + Control Board
W.A. de Junis

- Recommend Approval - Costs for 79-80 Budget should be included as a part of any additional B & C Board recommendation for agency for 79-80.
- Recommend Disapproval


George Dorn
State Budget Analyst


W.A. de Junis
Budget Section Director/Asst. Dir.

November 6, 1978

Date

11/6/78

Date

South Carolina Probation, Parole and Pardon Board

HON. WALTER D. TYLER, JR., CHAIRMAN
DISTRICT SIX

HON. JOHN E. HUSS, D.D.
DISTRICT ONE

HON. RHETT JACKSON
DISTRICT TWO

HON. H. L. LACKEY
MEMBER-AT-LARGE



GRADY A. WALLACE
DIRECTOR

HON. CHARLES R. SANDERS, JR.
VICE CHAIRMAN
DISTRICT THREE

HON. MARION BEASLEY
DISTRICT FOUR

HON. ELIZABETH M. MYERS
DISTRICT FIVE

ADDRESS: 2221 DEVINE ST.
6TH FLOOR
P. O. BOX 11368, C.S.
COLUMBIA, S.C. 29211

October 19, 1978

Mr. Edgar A. Vaughn
State Auditor
205 Wade Hampton Office Building
Columbia, South Carolina

Dear Mr. Vaughn:

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Mr. Edgar A. Vaughn

-2-

October 19, 1978

Additionally the Court is beginning to ask for more and more pre-sentence investigations in order to enable them to make better sentencing decisions and we are unable, with the present staff, to comply with these requests.

Your kind assistance in granting this urgent request for additional officers will be deeply appreciated.

Sincerely,

Grady A. Wallace
Grady A. Wallace
Director

GAW:dca

South Carolina Probation, Parole and Pardon Board

HON. WALTER D. TYLER, JR., CHAIRMAN
DISTRICT SIX

HON. JOHN E. HUSS, D.D.
DISTRICT ONE

HON. RHETT JACKSON
DISTRICT TWO

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MEMBER-AT-LARGE



GRADY A. WALLACE
DIRECTOR

November 3, 1978

HON. CHARLES R. SANDERS, JR.
VICE CHAIRMAN
DISTRICT THREE

HON. MARION BEASLEY
DISTRICT FOUR

HON. ELIZABETH M. MYERS
DISTRICT FIVE

ADDRESS: 2221 DEVINE ST.
6TH FLOOR
P.O. BOX 11368, C.S.
COLUMBIA, S.C. 29211

Mr. George Dorn
Budget Analyst
Office of State Auditor
Wade Hampton Office Bldg.
Columbia, South Carolina

Dear Mr. Dorn:

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Thank you.

Very truly yours,

Grady A. Wallace
Grady A. Wallace
Director

GAN:esh

REQUEST(S)
→ BY PHONE
MR. WALLACE
6 NOV 78

NOV 06 1978

Code No. N04

Agency Department of Corrections

Subject: Request for positions exceeding number authorized in 1978-79 Appropriation Act

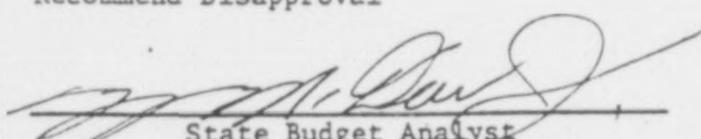
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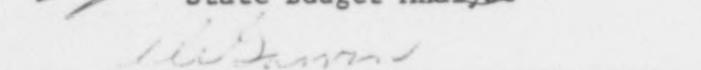
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In my estimation, the agency should not have to absorb operational officers positions which are already critically short for construction. The construction sites do need the additional security. This action would not affect the operational budget for 1978-79 or 79-80 according to the agency.

- Recommend Approval
- Recommend Disapproval



 State Budget Analyst



 Budget Section Director/Asst. Dir.

APPROVED
 NOV 10 1978
 Budget + Control Board
 W. Adkins

11-3-78

 Date

11/6/78

 Date



south carolina
department of corrections

NOV 03 1978

P.O. BOX 766/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 758-6444

WILLIAM D. LEEKE, Commissioner

November 1, 1978

Mr. William T. Putnam
Executive Director
Budget and Control Board
Box 12444
Columbia, S. C. 29211

Ref: New Positions - Capital Improvements

Dear Mr. Putnam:

This is to request two (2) Correctional Officer positions for our Phase I Capital Improvements. These positions are needed to provide inmate security at two construction locations, Kirkland Correctional Institution Infirmary and the Abattoir. Upon completion of these projects they would be transferred to other construction projects using inmate labor. The initial authority given by the Budget and Control Board to hire civilian personnel and fund those positions from Bond Funds did not include any security. A copy of the original staffing is attached. Salary and fringe for these two (2) positions would be approximately \$19,858 annually.

Favorable action concerning this request will be appreciated.

Sincerely,

S

Charles M. Case

CMC/bdc

Enc.

BOARD OF
CORRECTIONS

W. M. CROMLEY, JR.
Chairman
Spartanburg, S. C.

MRS. BETTY M. CONDON
Vice Chairman
Mt. Pleasant, S. C.

CLARENCE E. WATKINS
Secretary
CandLER, S. C.

NORMAN KIRKLAND
Member
Spartanburg, S. C.

CHARLES C. MOORE
Member
Spartanburg, S. C.

E. N. ZEIGLER
Member
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

TABLE IV-5
ANNUAL CIVILIAN PERSONNEL NEEDS FOR PHASE I
(Constant 1977 Dollars)

<u>Office Staff</u>		
1	Construction Manager	\$ 30,000
1	Design Architect/Engineer	21,000
1	Draftsman	12,000
1	Construction Superintendent	18,000
1	Scheduler/Estimator	14,000
1	Expediter	12,000
1	Bookkeeper	10,000
1	Purchasing Agent	10,000
8	Sub Total	\$127,000
<u>Field Staff</u>		
2	Construction Supervisors	\$ 37,000
1	Plumbing Foreman	16,500
1	Masonry Foreman	16,500
1	Carpenter Foreman	16,500
1	Electrical Foreman	16,500
6	Sub Total	\$103,000
14	TOTAL	\$230,000

SOURCE: Stephen Carter & Associates
South Carolina Department of Corrections

STATE BUDGET AND CONTROL BOARD

EXHIBIT XIII
11/10/78

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 10

Agency: Grants and Contracts Review Unit

Subject: CETA Contracts (Human Affairs and Employment Security)

Special consideration of these two requests which were not included in the package forwarded to the Joint Appropriations Review Committee initially but which were dispatched to that Committee on October 31 and November 3 is requested.

Board Action Requested:

Grants and Contracts Review Unit recommends conditional approval on both programs subject to any advice or recommendations from the Joint Appropriations Review Committee.

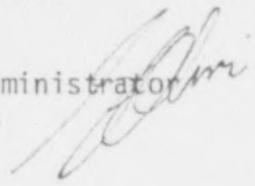
Staff Comment:

Attachments:

Oliver 11/3/78 memo to Putnam plus attachments

MEMORANDUM

TO: William T. Putnam, Executive Director
Budget and Control Board

FROM: G. F. Oliver, Grants Services Administrator
Grants and Contracts Review Unit 

DATE: November 3, 1978

SUBJECT: Special Consideration for CETA Contracts - Human Affairs Commission
and the Employment Security Commission

The attached two requests for CETA contracts from the Human Affairs and Employment Security Commission were not included in the standard package forwarded to the Joint Appropriations Review Committee on October 23, 1978, but were dispatched on October 31 and November 3, 1978 for special consideration in order to implement these programs as soon as possible.

It is requested that these programs be considered at the same time the other grants and contracts programs are reviewed at the November 10, 1978 Budget and Control Board meeting.

The Grants and Contracts Review Unit recommends a conditional approval on both programs subject to any advice or recommendations from the Joint Appropriations Review Committee.

attachments



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA
29211

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MEMORANDUM

TO:

FROM: G. F. Oliver, Grants Services Administrator 

DATE: November 3, 1978

SUBJECT: Employment Security Commission - CETA contract (9-R60-016)

The attached project summary for a \$158,371 contract for the Employment Security Commission is provided for special consideration in compliance with Section 5, Act 651 of 1978 (Joint Resolution). The contract will be granted from the Division of Administration, Governor's Office of Manpower, to provide for the employment of 36 manpower specialists in 32 counties of the state who are unemployed or underemployed to perform recruitment of target groups for employment (such as AFDC recipients) and to follow up and coordinate the employment of this group. There will be other functions related to this primary task.

Special consideration is requested as the funds are available retroactive to October 31.

The Grants and Contracts Review Unit recommends approval of the contract and requests special consideration from you. This request will be presented to the Budget and Control Board on November 10, 1978 for their final action.

attachment

TELEPHONES (AREA CODES):

ADMINISTRATION
758-3106

BUDGET DIVISION
758-7415

AUDITING DIVISION
758-8406

GRANTS AND CONTRACTS
758-7707

ENGINEERING
758-2657

STATE AUDITOR'S OFFICE
GRANTS AND CONTRACTS REVIEW SUMMARY SHEET

Sub-
Name of Agency: S.C. Employment Security Commission

Title of Project: Manpower Specialist Employment

Proposed Dates: Beginning: 11/1/78 Ending: 3/31/79

Date of Report: 10/30/78 Prepared by: R. A. Ellis

Sub-
Federal Source: Governor's Office of Manpower Planning (CETA)

Control Number: 9-R60-016 Federal Catalog No. 17.232 (Title II)

I. Program

- a. Purpose: To fund the employment of 36 manpower specialists in 32 counties of the state who are unemployed or underemployed to perform recruitment of target groups for employment and to follow-up and coordinate the employment of this group.
- b. Public Benefit:
An effort to find jobs and people to match needs.
- c. Impact on future State Financing: A short-time request.

II. Financial

- a. Total Amount: \$ 158,371
- b. Amount Federal: \$ 158,371 100 % Amount State: \$ 0 %
Amount Other: \$ 0 %
- c. Funds Available to Match Program: N/A Yes No
Amount: \$ 0
- d. Fringe Benefits Included: Yes No
Amount: \$ 12,647
- e. Indirect Cost: \$ 11,049
- f. Cost Sharing: In Kind: \$ 0 Cash: \$ 0
- g. Amount of earned revenue or income expected other than indirect cost collections:
\$ 0 0

III. Personnel

- a. Number of new federally funded personnel: Number: 36 Amount: \$134,675
plus fringe
- b. Number of personnel shifted to federal funds as a result of new program or service: Number: 0 Amount: \$ 0
- c. Current number of federally funded positions continuing on this program:
Number: 0 Amount: \$ 0
- d. Number of temporary positions: 0 Amount: \$ 0

Remarks: To be added to SARC and B&C Board Spread Sheets



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA
29211

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MEMORANDUM

TO:

FROM: G. F. Oliver, Grant Services Administrator 

DATE: October 31, 1978

SUBJECT: State Human Affairs Commission - CETA Contract (9-L36-003)

The attached project summary for a \$182,106 contract for the State Human Affairs Commission is provided for special consideration in compliance with Section 5, Act 651 of 1978 (Joint Resolution). The contract will be granted from the Division of Administration, Office of Manpower, to provide technical assistance to CETA contractors in development and monitoring affirmative action plans.

Special consideration is requested as funds in this contract, which will begin October 30, 1978, are provided for rental space for the Commission staff.

The Commission will move to a new location on Forest Drive, Columbia, utilizing \$9,029 in rental funds from this contract as well as regularly appropriated funds from the General Appropriations Act.

The Grants and Contracts Review Unit recommends approval of the contract and requests special consideration due to the time factor in notifying the current lessor of the Commission's intent not to renew its current lease.

This request will be presented to the Budget and Control Board on November 10, 1978 for their final action.

attachment

TELEPHONES (AREA CODE 803)

ADMINISTRATIVE
756-2311

BUDGET DIVISION
756-7415

AUDITING DIVISION
756-6406

GRANTS AND CONTRACTS
756-7707

ENGINEERING
756-2657

STATE AUDITOR'S OFFICE
GRANTS AND CONTRACTS REVIEW SUMMARY SHEET

Name of Agency: State Human Affairs Commission
Title of Project: Technical Assistance
Proposed Dates: Beginning: 11/1/78 Ending: 9/30/79
Date of Report: 10/30/78 Prepared by: Elmer Whitten
Federal Source: U.S. Department of Labor through Office of Manpower
Control Number: 9-L36-003 Federal Catalog No. 17.232

I. Program

- a. Purpose: To provide technical assistance to CETA contractors in development and monitoring affirmative action plans which CETA contractors are required to develop and implement.
- b. Public Benefit: Compliance with federal requirements and technical assistance to contractors in implementing affirmative action.
- c. Impact on future State Financing: None

II. Financial

- a. Total Amount: \$ 182,106
- b. Amount Federal: \$ 182,106 100 % Amount State: \$ 0 %
Amount Other: \$ 0 %
- c. Funds Available to Match Program: Yes No
Amount: \$ N/A
- d. Fringe Benefits Included: Yes No
Amount: \$ 17,751
- e. Indirect Cost: \$ 0 (To be added when indirect cost plan is approved)
- f. Cost Sharing: In Kind: \$ 0 Cash: \$ 0
- g. Amount of earned revenue or income expected other than indirect cost collections:
\$ 0

III. Personnel

- a. Number of new federally funded personnel: Number: 6 Amount: \$ 76,698
- b. Number of personnel shifted to federal funds as a result of new program or service: Number: 2 F.T.E. Amount: \$ 35,712
- c. Current number of federally funded positions continuing on this program:
Number: 0 Amount: \$ 0
- d. Number of temporary positions: 0 Amount: \$ 0

Remarks: To be added to SARC and B&C Board Spread Sheets

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STATE BUDGET AND CONTROL BOARD

EXHIBIT XIV

11/10/78

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 11

Agency: Grants and Contracts Review Subcommittee

Subject: Grant and Contract Requests

Presented are 51 projects from 27 state agencies which are requesting the following funding:

Federal	\$12,399,876
State	417,069
Other	<u>698,007</u>
Total	<u>\$13,514,952</u>

Board Action Requested:

Approve Subcommittee recommendations

Staff Comment:

Attachments:

Patterson 10/30/78 memorandum to Putnam plus attachments

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
 P. O. BOX 11333
 COLUMBIA
 29211

EDGAR A. VAUGHN, JR., CPA
 STATE AUDITOR

MEMORANDUM

TO: William T. Putnam, Executive Director
 Budget and Control Board

FROM: Grady L. Patterson, Jr., State Treasurer
 Chairman, Grants Subcommittee, Budget & Control Board *GLP*

DATE: October 30, 1978

The attached project summary was provided on October 23, 1978 to the Joint Appropriations Review Committee in compliance with Section 5, Act 651 of 1978 (Joint Resolution) for advice or recommendations prior to the S.C. Budget and Control Board final action. No comments have been received to date from the committee.

There are 51 projects from 27 state agencies who are requesting the following amounts from federal, state and other sources:

Federal Funds	\$12,399,876
State Matching	417,069
Other Matching	<u>698,007</u>
TOTAL	\$13,514,952

(These total funds include \$10,082,640 in 21 subcontracts between state agencies.)

The total number of personnel to be hired or retained on these programs is as follows:

<u>New Personnel</u>	<u>Continuing Personnel</u>
Full-Time - 33.8	Full-Time - 359.75
Part-Time - 8.5	Part-Time - 3
<u>42.3</u>	<u>362.75</u>

The Grants Subcommittee recommendations for these projects are reflected in Column 10 of the attached Summary Report.

TELEPHONES (AREA CODE 803)

ADMINISTRATION
756-3106

BUDGET DIVISION
756-7415

AUDITING DIVISION
756-8406

GRANTS AND CONTRACTS
756-7707

ENGINEERING
756-2857

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
1 Division of Administration	9-D15-013	48,365	10/1/78 12/31/78	48,365 100%	0	0	0	2	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide internships for college students in their area of study.	Approval	
2 Office of Attorney General	9-E20-003	186,000	1/1/80 12/30/80	186,000 100%	0	0	0	5	U.S. Dept. of Justice - Anti-Trust Div. - 16.700 To fund the Anti-Trust Division of the Attorney General's Office; payment of salaries, the retention of experts such as econo- mists & accountants on an as needed basis as con- sultants & witnesses & to defray the costs in prose- cuting cases.	Approval	
3 Budget & Control Board, Planning Div.	9-F07-001	160,000	7/1/78 6/30/79	106,560 67%	53,440 33%	0	0	5	Subcontract - Office of Community Development, DOA (HUD) - 14.203 A program designed to insti- tute a continuing five-year planning process within each agency of the state, to test various alternative designs & to assess the effectiveness of state government under the five- year planning system.	Approval	Federal funds are pro- vided by Office of Community Development from Div. of Admin. award from HUD Comp. Planning Assistance grant.

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
4 The Citadel	9-H09-018	5,000	10/1/79 9/30/80	5,000 100%	0	0	0	0	HEW - 13.406 To purchase eligible library materials & improve library resources available for use by students.	Approval	
5 College of Charleston	9-H15-007	21,834	11/1/78 5/30/79	10,765 49%	8,829 40%	2,240 11%	0	0	S. C. Committee for the Humanities - 45.129 To conduct a symposium that is designed to open the channels of communication between the providers & consumers of health care; program will concentrate on the 5 Sea Islands off the coast of S.C.	Approval	
6 College of Charleston	9-H15-008	94,785	9/1/78 8/31/79	66,663 70%	0	28,122 30%	1	6	Subcontract Dept. of Social Services - 13.644 A program to train the Charleston County Department of Social Services day care staff to become more effective care providers & to improve the achievement of program objectives.	Approval	Required matching share to Title XX program provided by Charleston County funds

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
7 College of Charleston	9-H15-010	27,000	9/1/78 8/31/79	27,000 100%	0	0	1T	1	DHEW, Nat'l. Agency for Children, Youth & Families 13.600 To develop a training program to train 27 HeadStart staff members in the Charleston, Berkeley/Dorchester, Low Country, Beaufort-Jasper & Voorhees agencies in order to receive the regional Child Development Associate credentials.	Approval	
8 College of Charleston	9-H15-011	7,736	3/1/79 2/28/80	7,736 100%	0	0	.5T	0	National Science Foundation 47.009 A program to provide summer training in physical geology & earth science for 8th grade teachers in Charleston area. Course will upgrade teaching methodology with latest information.	Approval	
9 Francis Marion College	9-H18-001	5,525	5/25/79 8/31/79	5,525 100%	0	0	1T	0	National Science Foundation 47.048 A summer program to provide additional training for high school biology teachers in marine biology. Course will be offered for summer school credit. All costs for program (including students) to be borne from grant.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
10 Lander College	9-H21-001	5,000	10/1/79 9/30/80	5,000 100%	0	0	0	0	U.S. Office of Education 13.406 To provide funds to purchase library materials for the Larry A. Jackson Library.	Approval	
11 S.C. State College	9-H24-007	15,000	9/27/78 8/31/79	15,000 100%	0	0	0	0	U.S. Dept. of Agriculture 10.558 A program to increase the competency of child care personnel in areas of nutrition education concepts & management techniques as related to menu planning, cost control technique, sanitation & community resources.	Approval	
12 S.C. State College	9-H24-008	113,496	7/1/79 6/30/79	113,496 100%	0	0	2.5	0	Nat'l. Institute of Health 13.899 A program to provide academic training leading to baccalaureate & masters degrees in substance abuse counseling for students concurrently employed in the 44 autonomous county substance abuse treatment facilities affiliated with the S.C. Commission on Alcohol & Drug Abuse.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
13 USC	9-H27-051	37,516	8/15/79 7/30/80	24,985 67%	12,531 33%	0	0	3	National Science Foundation 47.048 A program to rewrite and improve a 2nd year engineering course in logic design required of all engineering students. Test will be given to measure absolute achievement levels of new material.	Approval	
14 Winthrop College	9-H47-008	4,500	10/1/78 9/30/79	4,500 100%	0	0	0	0	U.S. Small Business Admin. 59.005 Provide management consulting & technical assistance to small business concerns. Counseling and assistance is provided by qualified students and faculty members of the School of Business Admin.	Approval	
15 Winthrop College	9-H47-013	20,255	9/29/78 8/31/79	15,255 75%	5,000 25%	0	2T	0	U.S. Dept. of Agriculture 10.555 Program to provide training to teacher & to food service administrator & food service personnel in S.C. schools participating in the National School Lunch Program. PL-95-166	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/CFDA/Program Purpose	GCR Subcommittee Recommendation	GCR Unit Recommendation B&C Board/ Recommendation	Remarks
							New	Cont.				
16 Medical University	9-H51-023	87,219	7/1/79 6/30/80	43,312 50%	43,907 50%	0	0	0	Public Health Service, DHEW - 13.000 A training program that will provide an interdisciplinary approach to the training of neuroscientists. Program will produce scientists who have comprehensive training in modern advanced biological research techniques.	Approval		
17 Medical University	9-H51-024	7,000	8/1/78 7/30/79	0	0	7,000 100%	0	0	Upjohn Company Funds to support a minority Ph.D. candidate in biometry for the period of one year to work on biometry statistics programs in support of a doctoral program. Funds provided by commercial corporation.	Approval		

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation	Remarks
							New	Cont.		B&C Board/ GCR Subcommittee Recommendation	
18 Spartanburg TEC	9-H59-069	18,873	3/1/79 2/28/80	12,268 65%	3,168 17%	3,437 18%	4	0	S.C. Commission of Higher Education - Title I 13.557 To provide in-service training to Spartanburg County employees to assist in the improvement of efficiency by offering to improve motivation, effective communication, employees' role in government, etc.	Approval	
19 School for Deaf and Blind	9-H75-012	9,200	8/25/78 8/24/79	0	0	9,200 100%	0	0	Grant from private sources Gallaudet College To expand and extend the vocational education program for the deaf & blind in the Columbia and Charleston areas, leading to gainful employment for them.	Approval	
20 School for Deaf and Blind	9-H75-013	3,900	10/1/78 9/30/79	2,000 51%	1,900 49%	0	0	0	Subcontract S.C. State Library - 13.464 For library development at the School for the Deaf & Blind, with major emphasis on recreational reading.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
21 School for Deaf and Blind	9-H75-014	2,047	12/1/78 11/30/79	2,047 100%	0	0	0	0	Subcontract State Dept. of Education - Office of Federal Programs - 13.570 To upgrade & keep current the materials in the library and/or classrooms which will educationally benefit deaf and/or blind students.	Approval	
22 S.C. Arts Commission	9-H91-002	12,181	4/1/79 3/30/80	5,875 48%	5,206 43%	1,100 9%	0	3T	Nat'l. Endowment for the Arts - 45.006 To complete a documentary film & study guide on the closing of Aimar's Drug Store, the oldest pharmacy in continuous operation in Charleston. The film, following the Aimar brothers as they close their 126 year old firm, will be interwoven with the history of the store & the community it reflects.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation		Remarks
							New	Cont.		B&C Board/ GCR Subcommittee Recommendation		
23 S.C. Arts Commission	9-H91-003	65,658	11/1/78 10/30/79	39,600 60%	15,596 24%	10,462 16%	2	5	American Correctional Asso. 16.516 To continue a joint program with Dept. of Corrections in the development of new & experimental activities at different correctional facilities involving the inmates in arts activities. The second year funding will enable a continuation of the project in 15 correctional facilities.	Approval		
24 S.C. Arts Commission	9-H91-004	42,623	10/1/78 9/30/79	42,623 100%	0	0	4	0	Governor's Office of Manpower Training (CETA) sub-contract - 17.232 Title VI To fund the employment of 4 persons who are under-employed in the Arts Commission who meet the Title VI criteria. Two will work with fiscal management & two will be in the Personnel Section.	Conditional Approval	Provided the salaries for all new public service employment (PSE) participants hired by state agencies under CETA Titles II & VI are sufficiently below the \$10,000 ceiling to allow for a cost of living & merit increase annually without augmentation of state appropriated funds without B&C Board approval.	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation	Remarks
							New	Cont.		B&C Board/ GCR Subcommittee Recommendation	
25 DHEC	9-J04-023	45,547	10/1/78 12/31/78	42,943 94%	2,604 6%	0	11	7	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide job training & employment opportunities for the emotionally disadvantaged, unemployed & underemployed. The 11 new positions are requested to provide staff to comply with the S.C. Litter Control Act of 1978.	Conditional Approval	Provided the salaries for all new public service employment (PSE) participants hired by state agencies under CETA Titles II & VI are sufficiently below the \$10,000 ceiling to allow for a cost of living & merit increase annually without augmentation of state appropriated funds without B&C Board approval.
26 DHEC - Appalachia I	9-J04-031	48,553	12/1/78	43,540 90%	3,800 8%	1,213 2%	0	2.75	Appalachian Regional Commission - 23.004 To decrease the incidence of dental disease in the children of Anderson and Oconee counties through screening, referral, comprehensive treatment, fluoride mouthrinse programs, and oral health education.	Conditional Approval	This project is ranked #16 on the Appalachian Health Council Plan. Conditional approval subject to first approval of the Appalachian Regional Commission.

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
27 DHEC	9-J04-032	1,100	10/1/78 9/30/79	1,100 100%	0	0	0	0	HEW To provide copies of certificates of vital events (i.e., deaths & births) as requested by DHEW for incorporation into the Cooperative Health Statistics System.	Approval	
28 DHEC	9-J04-033	2,723	9/15/78 8/14/79	2,723 100%	0	0	0	0	Environmental Protection Agency - 66.434 To secure training materials which will be used in formal training sessions & distributed to Water Supply trainees to assist in learning the basics of water supply operations.	Approval	
29 DHEC	9-J04-034	2,876	10/1/78 1/31/79	2,876 100%	0	0	0	0	U.S. Consumer Product Safety Commission To protect the people against unreasonable risks of injury associated with cellulose home insulation by conducting safety informational & educational programs.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation		Remarks
							New	Cont.		B&C Board/ GCR Subcommittee Recommendation		
30 DHEC	9-J04-037	160,000	9/15/78	160,000 100%	0	0	1	0	U.S. Dept. of Agriculture To determine the level of the pesticide, carbofuran, & its degradation products remaining in the environ- ment surrounding areas where it is used.	Approval		
31 DHEC	9-J04-038	567,359	1/1/79 12/31/79	395,000 70%	65,000 11%	107,359 19%	0	28	HEW - 13.268 To increase the percentage of children under 15 com- pleting the primary immuni- zation series (including DTP, Polio, measles, mumps, & Rubella) to 90% by Oct. 1, 1979 & investigate every case of measles within 24 hours.	Approval		
32 DHEC	9-J04-039	116,235	10/1/78 9/30/79	69,741 60%	46,494 40%	0	4	6	Environmental Protection Administration - 66.001 The initiation & imple- mentation of a voluntary program of light duty motor vehicle exhaust emission inspections in an effort to assess the impact of the motor vehicle on air quality in S.C. The entire project will be subcontracted to the S.C. Dept. of Highways & Public Transportation.	Approval	The federal funds for this project will be awarded to DHEC & the entire amount con- tracted to the Dept. of Highways & Public Transportation who pay their indirect charges in lump sums. So, there are no indirect charges involved.	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
33 DHEC	9-J04-041	117,519	10/1/78 9/30/79	117,519 100%	0	0	2	0	HEW - 13.286 To immunize people who are considered to be at "high risk" of death if they were to contract influenza.	Approval	
34 Dept. of Mental Health	9-J12-004	44,400	10/1/78 9/30/79	22,000 50%	22,400 50%	0	0	0	HEW thru Office of Health & Social Development 13.630 To provide training for teachers & educational therapists who work directly with autistic & autistic-like children which will provide appropriate programs for autistic children without institutionalization.	Approval	
35 Commission on Alcohol & Drug Abuse	9-J20-004	1,361,552	7/1/78 6/30/79	816,931 60%	60,000 4%	484,621 36%	0	2	HEW - 13.235 To provide treatment services for narcotic addicts & drug abusers.	Approval	93% of this award is subcontracted to 5 county commissioners for drug abuse treatment programs.
36 Vocational Rehabilitation	9-L08-001	1,127,049	10/1/78 9/30/79	1,127,049 100%	0	0	2	58	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide comprehensive & effective medically related services & assessment for CETA participants in order to ensure identification & treatment of medical problems.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation	Remarks
							New	Cont.		B&C Board/ GCR Subcommittee Recommendation	
37 Department of Corrections	9-N04-009	4,979	10/1/78 12/31/78	4,979 100%	0	0	0	2	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide employment for the unemployed in the public sector as correctional officers.	Conditional Approval	(1) Provided the salaries for all new public service employ- ment (PSE) participants hired by state agencies under CETA Titles II & VI are sufficiently below the \$10,000 ceiling to allow for a cost of living & merit increase annually with- out augmentation of state appropriated funds, without B&C Board approval; (2) in- direct costs be in- cluded if funds are available from the Office of Manpower,

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
38 Department of Corrections	9-N04-010	214,706	10/1/78 12/31/78	214,706 100%	0	0	0	82	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide jobs for econom- ically disadvantaged and unemployed individuals in needed positions to improve the level of service with- in the Dept. of Corrections.	Conditional Approval	(1) Provided the sal- aries for all new public service employ- ment (PSE) participants hired by state agencies under CETA Titles II & VI are sufficiently below the \$10,000 ceiling to allow for a cost of living & merit increase annually without aug- mentation of state appropriated funds, without B&C Board approval; (2) that in- direct costs be in- cluded if funds are available from the Office of Manpower.
39 Department of Corrections	9-N04-015	76,999	10/1/78 9/30/79	76,999 100%	0	0	0	4	U.S. Dept. of Labor thru Office of Manpower thru State TEC - 17.232 To successfully train in- mates so that they will have a marketable skill in brickmasonry, carpentry or plumbing upon release.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
40 Department of Corrections	9-N04-018	35,419	12/1/78 11/30/79	24,871 70%	10,548 30%	0	1	0	HEW thru Office of Health & Social Development 13.630 To provide protection and advocacy services for devel- opmentally disabled offenders thru referral, coordination & follow-up services in order to improve institu- tional life & thru consult- ant, assessment & referral services to criminal justice units outside SCDC.	Approval	
41 Youth Services	9-N12-006	863	11/14/78 12/14/78	469 54%	394 46%	0	0	0	LEAA thru OCJP sub-grant 16.502 To send the DYS training coordinator to a seminar on project development as a means to enlarge the level of expertise in training.	Approval	
42 Juvenile Placement and Aftercare	9-N16-011	16,667	11/1/78 10/31/79	15,000 90%	1,667 10%	0	0	0	LEAA thru OCJP - 16.502 To develop a comprehensive in-service training program for JP&A employees which will provide 7.5 hours of pre-service & 20 hours of in-service training for 220 employees.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
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41 Youth Services	9-N12-006	863	11/14/78 12/14/78	469 54%	394 46%	0	0	0	LEAA thru OCJP sub-grant 16.502 To send the DYS training coordinator to a seminar on project development as a means to enlarge the level of expertise in training.	Approval	
42 Juvenile Placement and Aftercare	9-N16-011	16,667	11/1/78 10/31/79	15,000 90%	1,667 10%	0	0	0	LEAA thru OCJP - 16.502 To develop a comprehensive in-service training program for JP&A employees which will provide 7.5 hours of pre-service & 20 hours of in-service training for 220 employees.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation	Remarks
							New	Cont.			
43 Juvenile Placement and Aftercare	9-N16-012	28,419	12/1/78 9/30/79	28,419 100%	0	0	0	1	U.S. Dept. of Labor thru Office of Manpower - 17.232 To provide employability skills training thru the Adkins Life Skills Program to 80 disadvantaged juvenile offenders in an attempt to help them choose, find, get and keep a job.	Approval	
44 S.C. Land Resources Commission	9-P08-003	29,290	11/1/78 9/30/79	29,290 100%	0	0	0	2	Environmental Protection Agency - 66.426 The preparation of the agricultural, mining and construction activities portion of the Water Quality Management Plan for the State of S.C., in response to the requirements of Section 208 of PL 92-500.	Approval	This is a request for the second year funding of a 3-year project - 100% federal funds.
45 S.C. Department of Agriculture	9-P16-002	8,437	10/1/78 12/30/78	8,437 100%	0	0	0	0	Governor's Office of Manpower Planning (CETA) 17.232 To continue on-the-job training for enrollees in the folk art of handmaking chairs & the bottoming of chairs from cornhusks & to initiate a rural economic development training and employment opportunity to benefit the recipients of public assistance.	Approval	This division has recently been transferred to the Dept. of Agriculture which does not have a negotiated indirect rate. However, they are in the process of applying for a rate, but due to the nature of this project, we recommend approval.

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
46 S.C. Wildlife and Marine Resources	9-P24-006	173,013	7/1/78 6/30/79	129,760 75%	0	43,253 25%	0	4	Dept. of the Interior 15.611 To provide for an educational program for hunters in order to assure greater safety & reduction of accidents, reduction of violations, offer public shooting ranges & overall increase in an understanding of wildlife management	Approval	The 20% matching funds will come from the sale of hunting licenses by the Wildlife Dept.
47 S.C. Wildlife and Marine Resources	9-P24-008	49,880	12/1/78 11/30/79	24,940 50%	24,940 50%	0	1.3	0	Subcontract P.R.T. Prime Sponsor (Dept. of Interior 15.400 To collect & interpret biological data concerning S.C. barrier islands so as to determine optimum levels of recreation development without overuse & the destruction of natural qualities.	Approval	This request for funding is a subcontract with PRT, who is the prime sponsor. Wildlife is putting up the greater portion of the state's match.
48 S.C. Coastal Council	9-P25-002	16,770	10/1/78 9/30/79	13,416 80%	3,354 20%	0	0	0	Office of Coastal Zone Management - 14,418 To develop an economic model for the coastal region, taking into account the rapidly increasing industrial base & subsequent growing demands for energy.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel New	Cont.	Federal Agency/CFDA/Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
49 Dept. of Parks, Recreation and Tourism	9-P28-008	52,582	12/1/78 11/30/79	26,291 50%	26,291 50%	0	0	0	Dept. of the Interior - Heritage Conservation & Recreation Service - 15.400 To determine the amount of recreational development which can take place on the barrier islands of S.C. without destroying their natural qualities, in order to meet the in- creasing needs for coastal recreational facilities.	Approval	\$49,880 of these funds will be contracted to Wildlife & Marine Resources Dept., who will provide the matching funds in the amount of \$24,940.
50 S.C. Employment Security Commission	9-R60-014	7,795,674	10/4/78 10/3/79	7,795,674 100%	0	0	0	96	Governor's Office of Man- power Planning - 17.232 Title I To fund a contract between E.S.C. & Manpower Planning for intake & counseling service & to make class- room training allowances to those enrolled in training.	Approval	

SUMMARY
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: October 23, 1978

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
51 S.C. Employment Security Commission	9-R60-015	415,628	10/1/77 12/31/78	415,628 100%	0	0	2	38	Subcontract Governor's Office of Manpower Planning (CETA) - 17,232 Title VI This is to extend a con- tract implemented on 10/1/77 for 3 months where- by Employment Security gives employment & on-the- job training to 40 unem- ployed or underemployed individuals.	Conditional Approval	Provided the salaries for all public service employment (PSE) parti- cipants hired by state agencies under CETA Titles II & VI are sufficiently below the \$10,000 ceiling to allow for a cost of living & merit increase annually without aug- mentation of state appropriated funds, without B&C Board approval.

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

EXHIBIT XV
12 11/10/78

Agency: Grants and Contracts Review Subcommittee

Subject: Proposed Policy on CETA Contracts Indirect Cost Recovery

Board Action Requested:

The Subcommittee recommends that indirect costs equal to 8% of each CETA subcontract with a state agency be recovered by the General Fund.

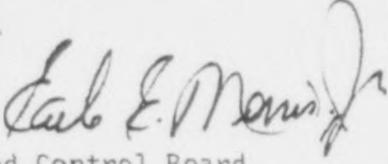
Staff Comment:

Attachments:

Morris 10/17/78 memorandum to Putnam plus attachments

5
MEMORANDUM

TO: Mr. William T. Putnam, Executive Director
Budget and Control Board

FROM: Mr. Earle E. Morris, Comptroller General 
Chairman, Grants Sub-Committee, Budget and Control Board

DATE: October 17, 1978

SUBJECT: Indirect Cost Recovery on CETA Contracts from State Agencies

The Comprehensive Employment and Training Act (CETA) provides for indirect cost recovery from the administrative portion of each contract per federal regulations.

To date no definite policy has been established by the state regarding the amount to be collected by the General Fund on CETA programs.

In order to ensure the wishes of the General Assembly and the policy of the Budget and Control Board for recovery by the General Fund of indirect costs are carried out on these programs, discussions were held with the Governor's Office of Manpower and it was agreed that 8% of each CETA subcontract with a state agency be established as the amount to be recovered by the General Fund of the state (see attached letter from the Office of Manpower).

In line with this agreement, an addition to the Grants and Contracts Review Manual, Item 301, has been prepared reflecting this agreement for dissemination to all state agencies (attached).

Therefore, it is requested that this concept be approved by the Budget and Control Board and forwarded to each state agency.

Attachments
ah

<i>date</i>	<i>subject</i>	<i>item</i>
10/4/78	Recovery of Indirect Costs From Comprehensive Employment and Training Act Grants by State Agencies	I-301
<i>supersedes</i>		page 1

1. Purpose and Scope

The purpose of the Comprehensive Employment and Training Act (CETA) is to provide employment and training opportunities for economically disadvantaged, under-employed, and unemployed persons. The Act also establishes maximum allowable administrative costs for the programs funded under CETA. The maximum allowable administrative costs often prevent the full recovery of indirect costs by state agencies who receive CETA contracts from the Office of the Governor's Manpower Division. In addition, there are certain necessary administrative costs which must be part of the contract, and this further reduces the amount allowed for indirect cost recovery.

The Budget and Control Board's policy in regard to the recovery of indirect/overhead costs for the general fund has been stated as follows:

"Indirect cost recoveries must be applied for where permitted under federal regulations, and must be deposited in the General Fund as required in the current Appropriations Act."

In view of the maximum allowable administrative amount established by federal CETA regulations and the Budget and Control Board policy on recovery of indirect costs by state agencies, the following procedures will govern indirect costs recovery for state agencies from CETA contracts from the Governor's Office of Manpower:

- a. Unless waived by the Budget and Control Board and the Joint Appropriations Review Committee, indirect cost recoveries must be applied for when permitted under CETA regulations and must be deposited in the General Fund of the State of South Carolina.
- b. At least 8% of the total amount of the CETA contract/sub-contract shall be recovered as indirect costs, provided CETA regulations and the state agency's approved indirect cost rate allows for the recovery of indirect costs in the amount of 8% or more of the total CETA award.
- c. If the agency's approved indirect cost rate is less than an 8% indirect cost rate, only the amount authorized by the agency's indirect cost rate shall be recovered.
- d. This policy does not preclude an agency from establishing and negotiating an indirect cost rate prior to recovering indirect costs.



State of South Carolina

Office of the Governor

JAMES B. EDWARDS
GOVERNOR

MANPOWER DIVISION
1800 St. Julian Place
Columbia, South Carolina 29204

September 28, 1978

Mr. George F. Oliver, Grants Service Administrator
Grants and Contracts Review Unit
State Auditor
Wade Hampton Office Building
Post Office Box 11333
Columbia, South Carolina 29211

Dear Mr. Oliver:

Upon review of the proposed policy regarding indirect cost recovery on CETA contracts with State Agencies, we believe that consideration should be given to wording the directive to read as follows:

- 1) Unless waived by the Budget and Control Board and the Joint Legislative Appropriations Committee, indirect cost recoveries must be applied for where permitted under CETA regulations, and must be deposited in the General Fund.
- 2) At least 8% of the total amount of the CETA contract/subgrant shall be recovered as indirect costs, provided the agency's approved indirect cost rate allows for the recovery of indirect costs in the amount of 8% or more of the total CETA contract/subgrant award.
- 3) If the agency's approved indirect cost rate does not allow for the recovery of indirect costs of 8% of the total amount of the CETA contract/subgrant, only those indirect costs that are authorized by the agency's approved indirect cost rate shall be recovered.
- 4) This directive does not preclude an agency from establishing and negotiating an indirect cost rate prior to recovering indirect costs.

In addition to the above, we feel that this directive should be applied to all federally funded contracts/subgrants administered by state agencies for the following reasons:

Disagree

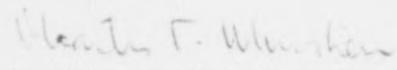
Mr. George F. Oliver
September 28, 1978
Page two

- 1) The requirement that 8% of the total amount of federally subsidized contracts/subgrants would not decrease the amount of indirect costs which may be recovered by state agencies with indirect cost rates of 25% or above. This assumption is based on the following:
 - a) Indirect cost rates, in most cases, are computed based on the total direct salaries and wages.
 - b) The minimum recovery rate of 8% for indirect costs established by the Budget and Control Board is based on total funds awarded under contracts/subgrants. Contracts/subgrants, in most cases, provide funds for salaries and wages, fringe benefits for employees, consumable supplies, equipment, travel, pass-through funds (funds awarded to other entities for purposes of carrying out the provisions of the prime contract/subgrant) and other operating costs.
- 2) Indirect cost rates based on direct salaries and wages for state agencies in all probability, will not exceed 30%.
- 3) Very few indirect cost rates are approved based on total direct costs.
- 4) Applying the directive solely to one type of federally funded program places restraints on this program which are not required for others, thereby, giving agencies flexibility in determining the amount of indirect costs to be recovered in other programs and then dictating the amount that is to be recovered under CETA programs.
- 5) The total amount of indirect cost recovery for all state agencies would increase rather than decrease since no flexibility is granted to state agencies. At least 8% of total contract/subgrant funds awarded will be for indirect costs unless specifically waived by the Budget and Control Board and the Joint Legislative Appropriations Committee.

Your consideration of these items is appreciated.

If you have any questions related to the above, please contact Robert Scott at 758-5314.

Sincerely,


Charles T. Minshew, Director
Manpower Division

CTM/RES/rsm

Enclosure

MEMORANDUM

TO: Mr. Edgar Vaughn, State Auditor

FROM: G. F. Oliver, Grants Services Administrator 

DATE: October 3, 1978

SUBJECT: Indirect Cost Recovery on CETA Contracts with State Agencies

Several discussions have been held with the Governor's Office of Manpower regarding state recovery of indirect costs on CETA grants. The attached memo reflects the agreement with the financial people at Manpower. (See attached letter from Charles Minshew.)

As you know, the Office of Manpower is funded by 3% of each award from each state award which still leaves 12% to 17% still available for other administrative costs (see Maximum Administrative Costs Allowed by Title of CETA Program).

If the state recovers 8% for indirect costs this will still leave 4% to 9% for agency use for tools, travel and other items authorized under federal regulations. Therefore, it is requested that this concept be approved by the B&C Board and forwarded to Manpower and each state CETA contractor.

If you concur with this instruction as an addition to the Grants and Contracts Review Manual, I will put it into Budget and Control Board format for Budget and Control Board action.

Enclosures
ah

Maximum Administrative Costs
Allowable Under CETA

	<u>Allowed by Law</u>	<u>Manpower Division</u>	<u>Available for Contracting Agencies</u>
Title I	20%	3%	17%
Title II	15%*	3%	12%
Title VI	15%*	3%	12%
Title I - Special Grants to Governors	--	3%	--
Title I - Migrant & Seasonal Farm- worker Residential Support	20%	3%	17%
Title III Summer Program for Economically Dis- advantaged Youth	20%	3%	17%
Title III-Sec. 303 Migrant & Seasonal Farmworker Program	20%	3%	17%
Title III - Indians	20%	3%	17%
Title III - Skill Training Im- provement Program (STIP)	20%	3%	17%
Title III - Hire	15%**	3%	12%
Title III - Youth Employment Training Program (YETP)	20%	3%	17%
Title III - Youth Employment Training Program Governor's Dis- cretionary	20%	3%	17%
Title III - Youth Community Conserva- tion Improvement Projects (YCCIP)	20%	3%	17%
Title VIII - Young Adult Conservation Corps (YACC)	--	3%	--

* Administration, Training and Services

** Administration, Support and Job Development

Title I - Special Grants to Governors and YACC have no administrative cost ceiling.

STATE BUDGET AND CONTROL BOARD

EXHIBIT XVI
11/10/78
13

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 13

Agency: Lieutenant Governor's Office

Subject: Funds Transfer Request

Lieutenant Governor Harvey requests Board approval of the transfer of \$3,000 from classified positions to contractual services to cover the costs of completing the Betsy Ross project.

Board Action Requested:

Consider

Staff Comment:

Attachments:

Lieutenant Governor Harvey 10/25/78 letter to Budget Analyst Holt plus attachments



STATE OF SOUTH CAROLINA

Office of The Lieutenant Governor

POST OFFICE BOX 142

COLUMBIA 29202

W. BRANTLEY HARVEY, JR.
LIEUTENANT GOVERNOR

TELEPHONE
803-758-3304

October 25, 1978

Mr. Curtis Holt
Budget Analyst
State Auditor's Office
Wade Hampton Office Building
Columbia, South Carolina

Dear Mr. Holt:

During the past two years I have been personally involved with a project referred to as the BETSY ROSS. This is a "Liberty Ship" donated to South Carolina by the federal government and will become an artificial reef off of our coast.

Many long hours of work, planning and preparation have gone into this project and at the present time the BETSY ROSS is located in Norfolk, Virginia, where she is being readied for transportation to the reef site which is approximately ten miles off the coast of Port Royal Sound.

Due to unfortunate and unforeseen difficulties, the funds that were available through the Wildlife Department for this project have either been expended or earmarked for other facets of this project and it now appears that the project lacks approximately \$3,000.00 funding to bring it to a successful completion. Due to my long and personal involvement with the BETSY ROSS and my deep desire to have the project completed, I have decided to use funds available to my office to complete this worthwhile endeavor.

I sincerely appreciate the consideration I know you will give to this request and if I may be of any further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "W. Brantley Harvey, Jr.".

W. BRANTLEY HARVEY, JR.

NBHJr/bs

State of South Carolina

STATE BUDGET AND CONTROL BOARD

Finance Division

Columbia

Date: October 25, 1978

To the Comptroller General and the State Treasurer:

By unanimous approval of the State Budget and Control Board, the following appropriation transfers are authorized.

Department Lieutenant Governor's Office

Fiscal Year 78-79

Section	Item	Activity and Account	Organization No.		Account No.	Transaction Code	AMOUNT	
							DEBIT	CREDIT
		Classified Positions	E0404	000000	11060531	21601	3,000.00	
		Contractual Services	E0404	000000	11060533	11601		3,000.00
TOTAL							3,000.00	3,000.00

TO DEPARTMENT AND INSTITUTIONS:

This form should be accompanied with a letter indicating fully the necessity of the transfer being requested. No commitment should be made in anticipation of the approval of a transfer.

Date Approved _____

State Auditor _____

SUBMIT ORIGINAL AND THREE (3) COPIES.



STATE OF SOUTH CAROLINA

Office of The Lieutenant Governor

POST OFFICE BOX 142
COLUMBIA 29202

W. BRANTLEY HARVEY, JR.
LIEUTENANT GOVERNOR

TELEPHONE
803-758-3304

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Budget Analyst
State Auditor's Office
Wade Hampton Office Building
Columbia, South Carolina

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I sincerely appreciate the consideration I know you will give to this request and if I may be of any further assistance in this matter, please do not hesitate to contact me.

Sincerely,

W. Brantley Harvey, Jr.

W. BRANTLEY HARVEY, JR.

WBHJr/bs

24
STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

EXHIBIT XVII

14 11/10/78

Agency: Department of Corrections

Subject: Funds Transfer Request

Department of Corrections request is for approval of the transfer of \$4,697.50 from personal service, unclassified positions, to contractual services to cover the costs of temporary help.

Board Action Requested:

Consider

Staff Comment:

Attachments:

Case 10/31/78 letter to Vaughn plus attachments



south carolina
department of corrections

P.O. BOX 766 4444 BROAD RIVER ROAD/COLUMBIA SOUTH CAROLINA 29202
TELEPHONE 758-6444
WILLIAM D. LEEKE, Commissioner

October 31, 1978

Mr. Edgar A. Vaughn
State Auditor
State Auditor's Office
P. O. Box 11333
Columbia, S. C. 29211

Ref: Temporary Help

Dear Mr. Vaughn:

The attached 301 Transfer is a request to move Personal Service Funds into Contractual Services. This need was brought about by a maternity leave being granted to a Data Control Clerk and a large volume of data being entered into the computer for Earned Work Credit. The Earned Work Credit was established by the Litter Control Act.

Because of the need of experienced personnel to handle these functions and it being for a period of no more than eight weeks we were forced to contract with Kelly Girl. Should you need further information, please call.

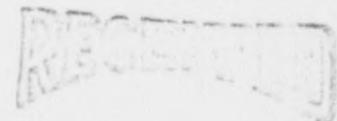
Sincerely,

S *Charles M. Case*
Charles M. Case

CMC/bdc

Enc.

Handwritten notes:
FD 301 Transfer
Determination
- CONTINUED NPLP
ONLY - REQUIRES APPROVAL
CONN



OCT 1 1978

STATE AUDITOR'S OFFICE
COLUMBIA, S. C.

BOARD OF
CORRECTIONS

W. M. CROMLEY, JR.
Chairman
Spartanburg, S. C.

MRS. BETTY M. CONDON
Vice Chairman
Mt. Pleasant, S. C.

CLARENCE E. WATKINS
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CandLER, S. C.

NORMAN KIRKLAND
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CHARLES C. MOORE
Member
Spartanburg, S. C.

E. N. ZEIGLER
Member
Fruita, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.



south carolina
department of corrections

P.O. BOX 766 4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 756-6444
WILLIAM D. LEEKE, Commissioner

October 31, 1978

Mr. Edgar A. Vaughn
State Auditor
State Auditor's Office
P. O. Box 11333
Columbia, S. C. 29211

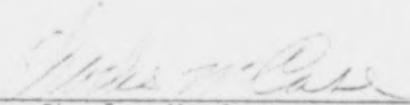
Ref: Temporary Help

Dear Mr. Vaughn:

The attached 301 Transfer is a request to move Personal Service Funds into Contractual Services. This need was brought about by a maternity leave being granted to a Data Control Clerk and a large volume of data being entered into the computer for Earned Work Credit. The Earned Work Credit was established by the Litter Control Act.

Because of the need of experienced personnel to handle these functions and it being for a period of no more than eight weeks we were forced to contract with Kelly Girl. Should you need further information, please call.

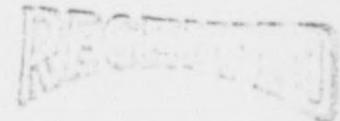
Sincerely,

S 
Charles M. Case

CMC/bdc

Enc.

Handwritten notes:
to PAR 1 - CMC
to PAR 1 - CMC
to CONTINUED NPLP
ONLY - NO OTHER APPROVAL
COM



NOV 1 1978

STATE AUDITORS OFFICE
BUDGET DIVISION

BOARD OF
CORRECTIONS

W. M. CROMLEY, JR.
Chairman
Saluda, S. C.

MRS. BETTY M. CONDON
Vice Chairman
Mt. Pleasant, S. C.

CLARENCE E. WATKINS
Secretary
CandLER, S. C.

NORMAN KIRKLAND
Member
Banberg, S. C.

CHARLES C. MOORE
Member
Spartanburg, S. C.

E. N. ZEIGLER
Member
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

State of South Carolina

STATE BUDGET AND CONTROL BOARD

Finance Division

Columbia

Date: October 30, 1978

To the Comptroller General and the State Treasurer:

By unanimous approval of the State Budget and Control Board, the following appropriation transfers are authorized.

Department CORRECTIONS DEPARTMENT Fiscal Year 78-79

Section	Item	Activity and Account	Organization No.		Account No.	Transaction Code	AMOUNT	
							DEBIT	CREDIT
	8	Administration - Unclassified Positions	N04	080000	11062273	2 1602	1,561.50	1,561.50
		Administration - Contractual Services	N04	080000	11062274	1 1602		
		Institutional Operations - Unclassified Positions	N04	120000	11062279	2 1602	3,136.00	3,136.00
		Institutional Operations - Contractual Services	N04	120000	11062281	1 1602		
TOTAL							4,697.50	4,697.50

Case

TO DEPARTMENT AND INSTITUTIONS:
This form should be accompanied with a letter indicating fully the necessity of the transfer being requested. No commitment should be made in anticipation of the approval of a transfer.

Date Approved _____

State Auditor

*6/10/78
HWT*

SUBMIT ORIGINAL AND THREE (3) COPIES.



south carolina
department of corrections

P.O. BOX 766/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 758-6444
WILLIAM D. LEEKE, Commissioner

October 31, 1978

Mr. Edgar A. Vaughn
State Auditor
State Auditor's Office
P. O. Box 11333
Columbia, S. C. 29211

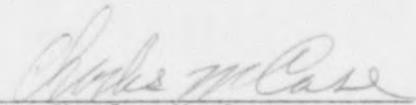
Ref: Temporary Help

Dear Mr. Vaughn:

The attached 301 Transfer is a request to move Personal Service Funds into Contractual Services. This need was brought about by a maternity leave being granted to a Data Control Clerk and a large volume of data being entered into the computer for Earned Work Credit. The Earned Work Credit was established by the Litter Control Act.

Because of the need of experienced personnel to handle these functions and it being for a period of no more than eight weeks we were forced to contract with Kelly Girl. Should you need further information, please call.

Sincerely,

S 
Charles M. Case

CMC/bdc

Enc.

*AS FAR AS I CAN
DETERMINE THIS IS
FOR CONTINUED HELP
ONLY - RECOMMEND APPROVAL
DOWN*

RECEIVED

NOV 1 1978

STATE AUDITOR'S OFFICE
BUDGET DIVISION

BOARD OF
CORRECTIONS

W. M. CROMLEY, JR.
Chairman
Saluda, S. C.

MRS. BETTY M. CONDON
Vice Chairman
Mt. Pleasant, S. C.

CLARENCE E. WATKINS
Secretary
Canden, S. C.

NORMAN KIRKLAND
Member
Bamberg, S. C.

CHARLES C. MOORE
Member
Spartanburg, S. C.

E. N. ZEIGLER
Member
Florence, S. C.

GOV. JAMES B. EDWARDS, Member, Ex-Officio, Columbia, S. C.

25
STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

EXHIBIT XVIII

15 11/10/78

Agency: Francis Marion College

Subject: Funds Transfer Request

Request is for authorization to transfer \$90,000 from personal services to other operating expenses.

Board Action Requested:

Consider

Staff Comment:

Attachments:

Frederick 10/10/78 letter to Budget Analyst Cooper plus attachments



Francis Marion College

FLORENCE, SOUTH CAROLINA 29501

(803) 649-4121

October 10, 1978

Mr. John Cooper
State Budget Analyst
P. O. Box 11333
Columbia, South Carolina 29211

Dear John:

In accordance with our recent conversation, I am enclosing an executed Form No. 300 transferring Personal Service funds to Other Operating Expenses.

Back in June it became painfully obvious that additional operating funds would be needed, thus the only option available was to reduce our Personal Service budget.

It was agreed that this transfer would be acted upon during the first month or so of the fiscal year so that I can get my "books" in order and hopefully balanced. I would appreciate your executing the enclosed.

Respectfully yours,

A handwritten signature in cursive script that reads "Casey".

N. C. Frederick
Vice President for
Business and Finance

NCF:ep

Enclosures: Five (5)



Francis Marion College

FLORENCE, SOUTH CAROLINA 29501
(803) 449-4121

October 10, 1978

Mr. John Cooper
State Budget Analyst
P. O. Box 11333
Columbia, South Carolina 29211

Dear John:

In accordance with our recent conversation, I am enclosing an executed Form No. 300 transferring Personal Service funds to Other Operating Expenses.

Back in June it became painfully obvious that additional operating funds would be needed, thus the only option available was to reduce our Personal Service budget.

It was agreed that this transfer would be acted upon during the first month or so of the fiscal year so that I can get my "books" in order and hopefully balanced. I would appreciate your executing the enclosed.

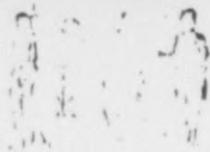
Respectfully yours,

A handwritten signature in cursive script that reads "N. C. Frederick".

N. C. Frederick
Vice President for
Business and Finance

NCF:ep

Enclosures: Five (5)



CF

file

WILLIAM T. PUTNAM
STATE AUDITOR

*State
Aud. Off.*

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA
29211

July 17, 1978

Dr. Walter D. Smith, President
Francis Marion College
Florence, South Carolina 29501

Dear Doug:

With reference to your letter of June 22, 1978, the request to move \$90,000 from personal services to other operating expenses was not acted upon in either the General Appropriation Bill or the Supplemental Appropriation Bill. However, since several committee members are now aware of your desire to have this transfer made, it is quite possible that the Budget and Control Board will look with favor upon such a movement of funds when the 1978-79 Appropriation Act becomes effective.

We are holding your letter of June 22 until the Appropriation Act has been passed. At that time, we will make your desires known to the Budget and Control Board.

Yours very truly,

William T. Putnam (SC)

William T. Putnam
State Auditor

WTP:sc

OCT 11 1978
STATE AUDITOR'S OFFICE
BUDGET DIVISION

TELEPHONES (AREA CODE 803)

ADMINISTRATION
788-3104

BUDGET DIVISION
788-7418

AUDITING DIVISION
788-8408

GRANTS AND CONTRACTS
788-7707

ENGINEERING
788-2417

JUL 18 1978
7/18/78 W.T.P. to CF

State of South Carolina

STATE BUDGET AND CONTROL BOARD

Finance Division

Columbia

Date: October 9, 1978

To the Comptroller General and the State Treasurer:

By unanimous approval of the State Budget and Control Board, the following appropriation transfers are authorized.

Department Francis Marion College

Fiscal Year 1978-79

Section	Item	Activity and Account	Organization No.	Account No.	Transaction Code	AMOUNT	
						DEBIT	CREDIT
		Classified Positions	H1800000000	1106 0973	1601	15,000.00	
		Other Operating Expense	H1800000000	1106 0977	1601		15,000.00
		Unclassified Positions	H1800000000	1106 0974	1601	60,000.00	
		Other Operating Expense	H1800000000	1106 0977	1601		60,000.00
		Employer Contributions	H1800000000	1106 0984	1601	15,000.00	
		Other Operating Expense	H1800000000	1106 0977	1601		15,000.00
TOTAL						90,000.00	90,000.00

TO DEPARTMENT AND INSTITUTIONS:

This form should be accompanied with a letter indicating fully the necessity of the transfer being requested. No commitment should be made in anticipation of the approval of a trans

Date Approved _____

State Auditor _____

SUBMIT ORIGINAL AND THREE (3) COPIES.

Agency: Various

Subject: Lease/Purchase Agreements on Copying Equipment

- (A) Mental Retardation (Whitten Village): IBM Copier II, \$12,066.95; currently leased by agency. Lease/purchase agreement will result in cost avoidance of \$262.15 over a 4-year period and a cost avoidance of \$3,021.47 annually after the 4-year period. Monthly installments will be less than current rental cost.
- (B) Educational Television: Xerox equipment, \$50,844.60. Agreement will promote a cost avoidance of \$3,972 annually. Monthly installments will be less than the current lease payments.
- (C) Veterans Affairs: Xerox equipment, \$14,250. Agreement will provide a cost avoidance of \$1,044 annually and monthly installments will be less than the current lease costs.

The agreements will provide equipment currently in use by these agencies at costs which are lower than current lease payments. Agreements include the safeguards necessary to protect the State in the event funds are not appropriated in future years.

Board Action Requested:

Division of General Services recommends that the referenced agencies be authorized to execute these agreements in order to take advantage of the cost avoidances.

Staff Comment:

Attachments:

General Services agenda notes

STATE BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
AGENDA

October 31, 1978

- I. Lease Purchase Agreements - Copying Equipment
 - A. Whitten Village has requested authority to execute a lease purchase agreement on an IBM Copier II at \$12,066.95 currently on lease by the agency. This lease purchase agreement will result in a cost avoidance over a four year period of \$262.15 with a cost avoidance after the four year period of \$3,021.47 annually. The monthly installments will be less than the current rental and the agency has funds to cover these payments.
 - B. South Carolina Educational Television Network requests permission to execute lease purchase agreement for Xerox copying equipment in the amount of \$50,844.60. This agreement will provide a cost avoidance of \$3,972.00 annually and the agency has funds to cover the monthly installments which will be less than the current lease payment.
 - C. The South Carolina Department of Veteran Affairs requests authority to execute a lease purchase agreement for Xerox copying equipment in the amount of \$14,250.00. This agreement will provide a cost avoidance to the agency of \$1,044.00 annually. The agency has sufficient funds to make the monthly payments which will be less than the current lease price for this equipment.

Agreements will provide equipment currently in use by the agency at a price lower than the current lease payment. The necessary safeguards to protect the State in the event funds are not appropriated the following budget years are in these agreements, and it is recommended that the agencies be authorized to execute these agreements to take advantage of these cost avoidances.

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

17 11/10/78

Agency: Department of Social Services

Subject: Use of Public Law 95-216 Fund Balance

At the October 10, 1978 meeting, the Budget and Control Board authorized the Department of Social Services to use up to \$200,000 of the "earned funds reserve" account in support of the Medicaid Program. That authorization was granted on the basis of an understanding that the DSS request for funds to meet an impending deficit in the Medicaid Program would be reduced by a like amount.

Subsequently, it has been determined that both the amount of funds and the source of the funds described in the Board action of October 10 were in error and the purpose of this request is to correct that action.

Board Action Requested:

Authorize DSS to utilize the remaining \$691,000 received under Public Law 95-216 for the purpose of decreasing the anticipated deficit in the Medicaid Program.

Staff Comment:

Attachments:

Vaughn 10/16/78 letter to Conrad plus attachments



OCT 16 1978

STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
P. O. BOX 11333
COLUMBIA
29211

Edgar A. Vaughn, Jr., CPA
XXXXXXXXXXXX
XXXXXXXXXXXX

October 16, 1978

Mr. Virgil L. Conrad
Commissioner
P. O. Box 1520
S. C. Department of Social Services
Columbia, South Carolina 29202

Dear Virgil:

This is to advise that on September 26, 1978 the State Budget and Control Board approved your request to transfer \$76,738.00 to the Office of the Attorney General for the Child Support Enforcement Program. I certainly appreciate your assistance in this matter and I have been assured by the Attorney General's Office that a request will be made in their 1979-80 Budget to support this program.

Your request to utilize the remaining \$691,000.00 received under Public Law 95-216 to decrease the anticipated deficit in the Medicaid Program appears to be most appropriate. I am requesting that this matter be placed on a future Budget and Control Board agenda for the Board's consideration. We will advise you as to the action taken by the Board.

Yours very truly,

Edgar A. Vaughn, Jr., CPA
State Auditor

EAV/jp

cc: Frank Sloan
Horace Jackson
William Putnam
William McInnis

September 22, 1978

Mr. Edgar A. Vaughn, Jr., CPA
 State Auditor
 Post Office Box 11333
 Columbia, S. C. 29211

Dear Mr. Vaughn:

Under Public Law 95-216 the South Carolina Department of Social Services was allocated \$1,664,000.00, of which approximately \$115,000.00 has been remitted to the local Departments of Social Services, as required under the Act. Some further minor remittances may be necessary. According to an interpretation by Ms. Janice Warden, Assistant Regional Commissioner for Family Assistance, funds remaining after any necessary distribution to local governments, may be used to match Federal funds or for other purposes determined by the State. Under the provisions of Act 656 of the 1978 General Assembly, the Department was directed to use these funds in the Assistance Payments Program to preclude reduction of service. In our letter of May 25, 1978, we informed Mr. Putnam that any balances remaining in this account would be used only with Budget and Control Board approval.

According to information provided by your office, the Attorney General is anticipating a need of \$76,730.00 in state funds to cover a projected deficit in the Child Support Enforcement Program (IV-D). We had requested this funding as our number one priority in the 1978-79 Budget Request; however, it was not provided.

Based on Mr. Jackson's conversation with you, I understand that the Attorney General will be requesting the appropriation for the Child Support Enforcement Program for the budget year 1979-80. Please be advised that these P.L. 95-216 funds are "windfall" monies and we cannot be expected to provide the funding for the Attorney General's Office from such funds in the future. With this understanding, and under action taken by the State Board of Social Services at its regularly scheduled meeting on September 21, 1978, and according to the provisions of Act 656, we request approval to make available to the Attorney General's Office \$76,730.00, as additional match money for the Child Support Enforcement Program. We further request approval to

cy JNC
 DMH
 9-28-78

Mr. Edgar A. Vaughn, Jr., CPA
September 22, 1978
Page 2

earmark the remaining balance of these funds (approximately \$691,000.00) toward the projected \$12.1 million deficit in Medicaid for 1978-79.

Copies of the various materials referenced are attached hereto for your convenience. A prompt response and approval are solicited.

Sincerely,

Virgil L. Conrad
Commissioner

VLC:ja

Attachments

cc: The Honorable Daniel R. McLeod



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
101 Marrett Tower, Suite 2001
Atlanta, Georgia 30323

Office of the Regional Commissioner

May 9, 1978

Mr. Virgil L. Conrad, Commissioner
Department of Social Services
P.O. Box 1520
Columbia, South Carolina 29202

Dear Mr. Conrad:

The purpose of this letter is to confirm information provided by telephone to Mr. Powell Rufe on May 8, 1978. Mr. Rufe called to determine if restrictions exist on ways the States may use funds provided in Public Law 95-216.

The one-time fiscal relief payment provided under PL 95-216 may be utilized at the discretion of the State with one restriction. In those States in which local units of government are responsible for meeting part of the costs of the AFDC program, the fiscal relief payments would have to be passed through to local governments. States would not be required to pass through more than the amount of AFDC costs for which the local government was responsible.

Funds remaining after any necessary distribution to local governments may be used to match Federal funds or for other purposes determined by the State.

If you have questions regarding this issue, please let me know.

Sincerely,

Janice L. Warden

Janice L. Warden, Assistant Regional
Commissioner for Family Assistance

H. B.
3826
Reimbursement
RT 29
Act 656
78

At a General Assembly Begun to
be Holden at Columbe, on the
Second Tuesday in January, in the
Year of Our Lord One Thousand
Nine Hundred and Seventy-Eight,
and Thence Continued by Divers
Adjournments to the _____
day of _____

In the Year of Our Lord One Thousand Nine Hundred and Seventy-Eight.

AN ACT

To Provide for Additional Funding to the Department of Social Services for the Fiscal Year 1977-78 to Preclude Reductions in Services and Payments Therefor.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The following funds are hereby appropriated to the Department of Social Services in addition to those appropriated in Item II, Section 45, Part I of Act 219 of 1977:

Assistance Payments \$6,100,000.00

Provided, that the appropriation hereby made may be distributed among the various assistance payments accounts as necessary; provided, further, that the Department is directed to utilize the federal fiscal relief made available to the states under P. L. 95-210 to the greatest advantage possible in precluding reduction of services and the Department is authorized to utilize any possible projected surpluses in any accounts in further preclusion of any deficit in assistance payments; provided, further, that notwithstanding any other provision of law, the Department shall transfer a minimum of five million dollars in cost recoveries (Earned Funds) to the General Fund of the State prior to June 30, 1978.

SECTION 2. This act shall take effect upon approval by the Governor.

—XX—

In the Senate House the _____ day of _____
in the Year of Our Lord One Thousand Nine Hundred and
Seventy-Eight

Approved the 30th day of _____ 1978

[Handwritten signatures and dates]
James B. Edwards

VIRGIL L. CONRAD
COMMISSIONER

South Carolina
Department of Social Services



May 25, 1978

Mr. William T. Putnam
State Auditor
P. O. Box 11333
Columbia, S. C. 29211

Dear Mr. Putnam:

We are pleased to inform you that the Federal Fiscal Relief Funds provided under P.L. 95-216 and referenced in the Special Appropriation Act to this agency have been received. We have filed the appropriate GRC-1 Form with Mr. Oliver.

As indicated in the plan for handling the Medicaid, AFDC, and Foster Care deficits presented to the Ways and Means Committee, we have targeted these funds for these deficits. Any balances remaining will be used only with Budget and Control Board approval.

This letter is written to inform you of the receipt of these funds in the State Treasurer's accounts and to comply with the various sections of the General Provisions of the Appropriation Act.

Sincerely,

A handwritten signature in cursive script that reads 'Virgil L. Conrad'.

Virgil L. Conrad
Commissioner

VLC:jm

cc: Mr. Horace F. Jackson



28

STATE BUDGET AND CONTROL BOARD

EXHIBIT XXI
11/10/78
18

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 18

Agency: Attorney General's Office

Subject: Civil Contingent Fund Request

Attorney General McLeod has submitted a bill received from Messrs. Regan and Williams, attorneys, in the amount of \$2,518.15 for services in connection with the Malone versus Edwards, Trident Technical College, State Institution Bond Test Litigation Case.

Board Action Requested:

Approve

Staff Comment:

Attachments:

Attorney General McLeod 10/18/78 letter to Patterson plus attachments

The State of South Carolina

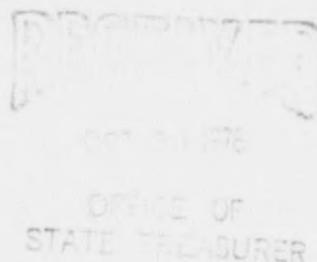


Office of the Attorney General

DANIEL R. McLEOD
ATTORNEY GENERAL

WADE HAMPTON OFFICE BUILDING
POST OFFICE BOX 11549
COLUMBIA, S. C. 29211
TELEPHONE 803-758-3970

October 18, 1978



The Honorable Grady L. Patterson, Jr.
State Treasurer
Wade Hampton Office Building
Columbia, South Carolina 29211

In Re: Malone v. Edwards, Trident Technical
College
Institution Bond Case

Dear Mr. Patterson:

I am enclosing herewith a bill submitted by
Messrs. Regan and Williams, Attorneys, Charleston,
S. C., in the amount of \$2,518.15, which bill I have
approved and am forwarding to you for payment.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Daniel R. McLeod".

Daniel R. McLeod
Attorney General

DRM/nt

Enclosure

LAW OFFICES
REGAN & WILLIAMS

WILLIAM B. REGAN
DONALD M. WILLIAMS

W. B. Regan

P. O. BOX 1237
41 BROAD STREET
CHARLESTON, S. C. 29402

(803) 722-4064

October 17, 1978

Honorable Daniel R. McLeod
Attorney General
P. O. Box 11549
Columbia, SC 29211

Re: Malone vs. Edwards, Trident Technical College,
Institution Bond, Test Litigation

Dear Dan:

In connection with my services in representing the Plaintiff in the above-captioned matter, Messrs. Sinkler, Gibbs, & Simons, have requested that I submit a statement for my services. My statement is enclosed for your consideration.

With kind regards, I am,

Yours very truly,

REGAN AND WILLIAMS

William B. Regan
William B. Regan

WBR/ds
Enclosure

STATEMENT

LAW OFFICES
REGAN & WILLIAMS

WILLIAM B. REGAN
DONALD M. WILLIAMS

P. O. BOX 1237
41 BROAD STREET
CHARLESTON, S. C. 29402

(803) 722-4064

Honorable Daniel R. McLeod
Attorney General
P. O. Box 11549
Columbia, SC 29211

October 17, 1978

Malone vs. Edwards,
Trident Tech, Institution
Bond, Test Litigation

For professional services rendered,

\$2,500.00

Disbursements:

12/29/77 Check 814 \$12.15 filing fee
1/26/78 Check 872 4.50 docket fee
accumulated copies
@ .15 per copy 1.50

\$18.15

18.15

Balance due

\$2,518.15

*Approved
Daniel R. McLeod
Attorney General
18 Oct 78*

EXHIBIT XXII
11/10/78
19

29

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER 19

Agency: Adjutant General's Office

Subject: Use of Armory Construction Account Funds

Deputy Adjutant General James Henderson requests Board authorization to expend a sum not to exceed \$25,000 from the Armory Construction Account to provide an adequate facility to house the Command and Control headquarters to be located at the SCARNG Training Center on the Fort Jackson reservation.

Board Action Requested:

Approve

Staff Comment:

Attachments:

Henderson 9/27/78 letter to Putnam



Military Department

STATE OF SOUTH CAROLINA
OFFICE OF THE ADJUTANT GENERAL
NATIONAL GUARD ARMORY, 1225 BLUFF ROAD
COLUMBIA 29201

*John M. =
John M. =
J.M.*

ROBERT L. McCRADY
MAJOR GENERAL
THE ADJUTANT GENERAL

AGSC

27 September 1978

Mr. William T. Putnam
Executive Director
Budget and Control Board
State of South Carolina
Post Office Box 11333
Columbia, South Carolina 29211

The Troop Command/251st Support Center, Rear Area Operations, one of the two General Officer Commands of the South Carolina Army National Guard, is being reorganized by the National Guard Bureau on or about 1 November 1978. The reorganization creates a separate Command and Control Headquarters, a General Officer Command, which will administer all elements of the South Carolina Army National Guard not a part of the Brigade. Facilities to house this headquarters are not readily available. Training controlled by this command normally requires use of Fort Jackson terrain.

My agency has an account titled Armory Construction. Funds deposited in the account accrue from the sale of old armories. Authority to sell obsolete armories and use the proceeds in the construction of new facilities is provided by the Military Code of South Carolina Article 13, Section 25-1-1650.

Request authority to expend a sum not to exceed \$25,000.00 from the Armory Construction Account to provide an adequate facility to house the Command and Control Headquarters. The facility will be located at the SCARNG Training Center on the Fort Jackson reservation. The Center is leased to

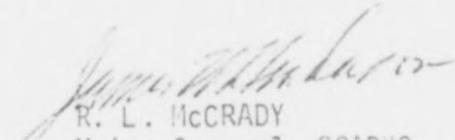
Mr. William T. Putnam

27 September 1978

the South Carolina Army National Guard. Housing the Headquarters is a State responsibility.

A prompt approval will be appreciated.

Sincerely,


R. L. McCRADY
Major General, SCARNG
The Adjutant General

CF:
Mr. McPherson, State Engineer

tenance of training facilities and is authorized to expend funds appropriated for this purpose.

HISTORY: 1962 Code § 44-104; 1964 (53) 2241.

Research and Practice References—

57 CJS, Militia § 18.

§ 25-1-1650. Authority to sell obsolete armories; use of proceeds.

The Adjutant and Inspector General is hereby authorized to sell obsolete armories and retain such funds as realized therefrom in a special account with the State Treasurer. Funds from such special account shall be used for the construction of new armories, such construction to be under the supervision of the Adjutant and Inspector General of the State.

HISTORY: 1962 Code § 44-105; 1964 (53) 2241.

Cross references—

As to disposition of military property unsuitable for use, see § 25-1-1430.

Research and Practice References—

57 CJS, Militia § 18.

ARTICLE 15

WHEN NATIONAL GUARD MAY BE CALLED TO SERVICE

SEC.

25-1-1810. National Guard subject to call by United States.

25-1-1820. Circumstances requiring active duty.

25-1-1830. Duty when called to suppress unlawful assembly.

25-1-1840. Authority of Governor to order out National Guard.

25-1-1850. Authority of Governor to order out National Guard when laws may not be enforced by judicial proceedings.

25-1-1860. Governor's proclamation to disperse.

25-1-1870. Governor may take possession of utilities.

25-1-1880. Local commanding officer may order out National Guard.

25-1-1890. Call of unorganized militia to service in addition to National Guard.

25-1-1900. Proclamation of state of insurrection.

25-1-1910. Penalty for refusal to serve when ordered.

25-1-1920. Penalty for false certificate by physician.

§ 25-1-1810. National Guard subject to call by United States.

The National Guard of South Carolina or any part thereof shall be subject to call for Federal service at such times, in such manner and in such numbers as may from time to time be prescribed by the Congress of the United States.

HISTORY: 1962 Code § 44-111; 1952 Code § 44-111; 1950 (46) 1881; 1964 (53) 2241.



Military Department

STATE OF SOUTH CAROLINA

OFFICE OF THE ADJUTANT GENERAL

NATIONAL GUARD ARMORY, 1225 BLUFF ROAD

COLUMBIA 29201

ROBERT L. MCCRADY
MAJOR GENERAL
THE ADJUTANT GENERAL

John Mc
sent direct mtw
ed

AGSC

27 September 1978

Mr. William T. Putnam
Executive Director
Budget and Control Board
State of South Carolina
Post Office Box 11333
Columbia, South Carolina 29211

RECEIVED
OCT 9 1978
S. C. BUDGET AND
CONTROL BOARD

The Troop Command/251st Support Center, Rear Area Operations, one of the two General Officer Commands of the South Carolina Army National Guard, is being reorganized by the National Guard Bureau on or about 1 November 1978. The reorganization creates a separate Command and Control Headquarters, a General Officer Command, which will administer all elements of the South Carolina Army National Guard not a part of the Brigade. Facilities to house this headquarters are not readily available. Training controlled by this command normally requires use of Fort Jackson terrain.

My agency has an account titled Armory Construction. Funds deposited in the account accrue from the sale of old armories. Authority to sell obsolete armories and use the proceeds in the construction of new facilities is provided by the Military Code of South Carolina Article 13, Section 25-1-1650.

Request authority to expend a sum not to exceed \$25,000.00 from the Armory Construction Account to provide an adequate facility to house the Command and Control Headquarters. The facility will be located at the SCARNG Training Center on the Fort Jackson reservation. The Center is leased to

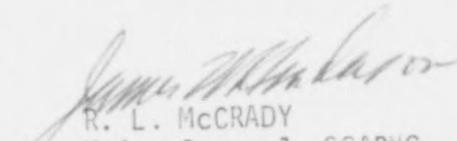
Mr. William T. Putnam

27 September 1978

the South Carolina Army National Guard. Housing the Headquarters is a State responsibility.

A prompt approval will be appreciated.

Sincerely,


R. L. McCRADY
Major General, SCARNG
The Adjutant General

CF:
Mr. McPherson, State Engineer

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EXHIBIT XXIII

11/10/78

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

20

Agency: State Personnel Division

Subject: Transfer of funds from Insurance Continuing Account to the State General Fund.

Board Action Requested: Board approval requested.

Staff Comment:

Attachments:

See Attachment



STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
PERSONNEL DIVISION
1205 PENDLETON STREET
COLUMBIA, SOUTH CAROLINA 29201

JACK S. MULLINS, PH.D
DIRECTOR

803-758-3334

M E M O R A N D U M
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TO: Budget and Control Board
FROM: Jack S. Mullins
DATE: November 2, 1978
SUBJECT: Insurance Continuing Account

Per the request of the State Budget and Control Board, the State Personnel Division, the Office of the Comptroller General, the Office of the State Treasurer, and the State Auditor have been meeting to devise a fiscally sound plan to significantly reduce the amount of funds necessary in the Insurance Continuing Account.

The following modification has been implemented.

- A direct draw at the beginning of each month from the Department of Education for 1/12 of the funds held by the Department of Education to pay for School District Employer Contributions. This procedure is currently in effect and allows for a transfer of 1.5 million out of the Insurance Continuing Account to the General Fund.

The following modification is being proposed for Board action.

- A months deposit in advance by each agency as described on the attached document. This procedure, if approved and implemented by the Budget and Control Board will allow for the transfer of an additional 1.5 million out of the Insurance Continuing Account to the General Fund.

JSM/mpg

Attachment

PROPOSAL FOR REQUIRING A DEPOSIT FOR
HEALTH, LIFE AND LTD INSURANCE

Since the employer's share of health, life and long-term disability premiums must be paid to the carriers by the State Personnel Division on the first working day of the month, the Budget and Control Board directs each state agency to deposit approximately one month of the employer's premium with the State Personnel Division on or before December 1, 1978. Any agency whose operations are covered by funds from other than General Fund Appropriations shall pay from such other sources a proportionate share of this deposit. This deposit will not be applied until the June, 1979, premium is due at which time it will be applied against the amount due and the balance due must be paid on or before June 10, 1979.

Thereafter, on or before the first working day of July, each state agency shall make another deposit of one month's employer premium with the State Personnel Division and the deposit will be applied against the premium for the following June.

Any deposit which during the fiscal year shall be deemed to be too small or too large may be adjusted by agreement between the State Personnel Division and the state agency involved.

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218

EXHIBIT XXIV
11/10/78

STATE BUDGET AND CONTROL BOARD MEETING		POLL AGENDA INDEX
Date: Friday, November 10, 1978	Time: 2:30 p.m.	
Location: Public Service Authority Facility at Wampee		

<u>Item Number</u>	<u>Agency</u>	<u>Subject</u>
	Various	Consultant Services Contracts

STATE BUDGET AND CONTROL BOARD

POLL OF November 10, 1978

POLL ITEM NUMBER 1

Agency: Various

Subject: Consultant Services Contracts

(For details on the proposed contracts, please refer to the attachments.)

Board Action Requested:

Approve

Vote Of Board Member: (Please indicate by initialing appropriate line below.)

_____ I approve of the above action.

_____ I disapprove of the above action.

_____ Hold for regular meeting.

Attachments:

Summary showing two contracts by the Division of Administration, one each by the Department of Corrections, the Medical University and the State Personnel Division, plus attachments.

STATE AUDITOR'S OFFICE
REPORT ON CONSULTANTS

#90852

Name of State Agency: Office of Community Development

Date of Report: 10/11/78 Prepared by: Paul Tsalapatas

Name of Consultant or Firm: Barton-Aschman Associates, Inc.

Address of Consultant or Firm: 820 Davis Street, Evanston, Illinois 60201

Terms of Consultant Contract:

Beginning Date: 10/16/78 Ending Date: 3/15/79

Rate of Pay: \$ _____ per _____; Maximum under this contract: \$ 30,900.00

Source of Funds: _____ (_____ %); \$24,500.00 (80 %); \$6,400.00 (20 %).
(State) (Federal) (Other)

Purpose or Goal of Consultant:

Development of a Transit Capital Operating Plan for Anderson, South Carolina

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes X No _____

If yes, How many Bids or Proposals were Received? 3

A(1)

OCT 19 1978

STATE AUDITOR'S OFFICE

90406

REPORT ON CONSULTANTS

Name of State Agency: Manpower Division

Date of Report: October 11, 1978 Prepared by: Mary Choate

Name of Consultant or Firm: Osoro and Associates

Address of Consultant or Firm: 1900 West Yale, Englewood, Colorado

Terms of Consultant Contract:

Beginning Date: November 1, 1978 Ending Date: September 30, 1979

Rate of Pay: \$ 12,623.18 per month; Maximum under this contract: \$ 138,855.00

Source of Funds: _____ (%); \$138,855.00 (100%); _____ (%).
(State) (Federal) (Other)

Purpose or Goal of Consultant:

To provide technical assistance and training to CETA staff due to increased size and complexity of CETA program in South Carolina.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes _____ No XXXXXX

If yes, How many Bids or Proposals were Received? _____



RECEIVED
SEP 26 1978
DIVISION OF
ADMINISTRATION

State of South Carolina

Office of the Governor

JAMES B. EDWARDS
GOVERNOR

M E M O R A N D U M

MANPOWER DIVISION
1800 St. Julian Place
Columbia, South Carolina 29204

90406

TO: Max Nesbitt

FROM: Charles T. Minshew CTM

DATE: September 18, 1978

SUBJECT: Contract with Osoro and Associates
Sole Source Justification

We would like to enter into a contract with Osoro and Associates, Denver, Colorado, to provide technical assistance and training in response to identified needs of the South Carolina CETA staff.

This proposal was submitted in response to RFP , Special Grants to Governors. Because of uncertainty of the CETA re-authorization and the possible change in scope of activities for this grant, the prime sponsor is not funding any new proposals submitted under this RFP until the legislation is final. The prime sponsor does feel however that these training needs are so critical that we will fund this proposal from an alternate funding source.

Osoro and Associates are thoroughly familiar with the training needs of CETA staff as their major clientele are CETA and ETA program administrators. They have worked with over 120 prime sponsors, eight ETA regional offices, and the ETA national office in a training or a technical assistance capacity. Their past experience and current capability makes them uniquely qualified to provide this training in a timely manner. The CETA re-authorization and subsequent need for training requires the prime sponsor to have the capability to respond.

CTM:MC:dm

OFFICE OF THE GOVERNOR
Division of Administration

DOA Unit: **Manpower**

Contract Monitor: **Mary Choate**

<p>Contractor: Osoro and Associates 1900 West Yale Englewood, Colorado 80110</p> <p>(Federal Employer's Identification No. <u>84-068 4402</u> or Individual's Social Security No. _____)</p> <p>Furnish Requisition/Bill for Payment to: Charles T. Minshew 1800 St. Julian Place Columbia, South Carolina 29204</p> <p>(Include Project and Contract Numbers on all Invoices)</p> <p>General Nature of Contract: To provide technical assistance and training to CETA staff to aid in staff's transition to different roles and responsibilities due to increased size and complexity of the CETA program in South Carolina.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Project No. 90406</td> <td style="width: 50%;">Contract No.</td> </tr> <tr> <td colspan="2">Unit/Contract/Objective Codes: 927 / 00 / 0208</td> </tr> <tr> <td colspan="2">Pages <u>1</u> thru <u>7</u> and <i>Assurances and Certifications 1-5</i> Appendix A, Pages <u>1.1</u> thru <u>4.33</u></td> </tr> <tr> <td colspan="2">Amount: \$138,855.00</td> </tr> <tr> <td colspan="2">Period of Contract: November 1, 1978 to September 30, 1979</td> </tr> <tr> <td colspan="2">Area Covered: State of South Carolina</td> </tr> </table>	Project No. 90406	Contract No.	Unit/Contract/Objective Codes: 927 / 00 / 0208		Pages <u>1</u> thru <u>7</u> and <i>Assurances and Certifications 1-5</i> Appendix A, Pages <u>1.1</u> thru <u>4.33</u>		Amount: \$138,855.00		Period of Contract: November 1, 1978 to September 30, 1979		Area Covered: State of South Carolina	
Project No. 90406	Contract No.												
Unit/Contract/Objective Codes: 927 / 00 / 0208													
Pages <u>1</u> thru <u>7</u> and <i>Assurances and Certifications 1-5</i> Appendix A, Pages <u>1.1</u> thru <u>4.33</u>													
Amount: \$138,855.00													
Period of Contract: November 1, 1978 to September 30, 1979													
Area Covered: State of South Carolina													

The Contractor agrees to furnish and deliver all products and perform all services set forth in the attached pages for the consideration stated therein.

Changes: This Contract constitutes the entire Agreement between the parties. No amendment or modification changing its scope or terms shall have any force or effect unless in writing and signed by both parties.

Subcontracting: None of the work or services covered by this Contract shall be subcontracted without prior written approval.

Compliance: The Contractor shall comply with all applicable terms, conditions, laws, rules and regulations which deal with or relate to funding and performance of this Contract.

Name and Address of Contractor
(or Chief Elected Official):
Osoro and Associates
1900 West Yale
Englewood, Colorado 80110

Office of the Governor
Manpower Division
1800 St. Julian Place
Columbia, South Carolina 29204

By: _____
(signature)

(typed name and title)

By: _____
(signature)

Jerry W. Branham, Director
(typed name and title)
Division of Administration

ATTEST:

(signature)

(signature)

Charles T. Minshew, Director-Manpower
(title and DOA unit)

(Treasurer or Attorney, if applicable)

The size and complexity of the CETA program in South Carolina necessitates constant training for the approximately 1,000 staff persons involved. Basic training in areas such as CETA regulations, financial and MIS reporting procedures and program design are needed on an on-going basis.

Osoro and Associates outline two phases in their proposal for technical assistance and training. Phase I will deal with needs assessment in topical concerns of curriculum considerations, delivery alternatives, logistical limitations and preferences, personnel requirements, agency identified needs, individual subjective preferences, and generic versus specialized skill development requirements; and the way in which data collection efforts must be directed and the processes by which this can be accomplished.

Data collection and analysis by self administered assessment tools and group meetings utilizing the nominal group technique (NCT) will be used to identify the needs of CETA staff and aid in the development of a technical assistance and training plan.

Phase II will deal with the delivery of the technical assistance and training.

Osoro and Associates will provide training and technical assistance in the following areas:

Training for Contractors:

1. Management and Supervisory Practices
2. Basic Counseling and Interviewing Skills
3. Client Assessment
4. Advanced Counseling Methods
5. Youth Programs
6. Time Management
7. Job Development and Placement
8. Program Linkages
9. Office Management
10. Equal Employment Opportunity and Affirmative Action

Training for Field Staff:

1. Program Review and Assessment
2. Financial Management
3. Subgrant Agreements
4. CETA Program Operations
5. Program Linkages
6. Consulting Skills

Delivery of 10 workshops to contractor staff, 6 workshops to Manpower Division staff and provision of 60 person days of on-site technical assistance to contractor staff will be provided.

Appendix A, A Proposal to Provide Technical Assistance and Training in Response to Identified Needs of South Carolina CETA Staff, is attached as part of this contract.

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: South Carolina Department of Corrections

Date of Report: November 3, 1978 Prepared by: Hubert M. Clements *Hubert M. Clements*

Name of Consultant or Firm: Dr. John F. Kososki

Address of Consultant or Firm: 6080 Crabtree Road, Columbia, South Carolina 29206

Terms of Consultant Contract:

Beginning Date: November 15, 1978 Ending Date: January 31, 1980

Rate of Pay: \$ 160 per 8-hour day; Maximum under this contract: \$ 38,400

Source of Funds: State (100%); _____ (%); _____ (%)

Purpose or Goal of Consultant: To continue the development of the Department's automated offender record and Fiscal systems for effective agency planning, budgeting, tracking, reporting, and controlling of its resources (financial, physical, and human) and its inmates and the relevant transactions related to each.

Dr. Kososki will work directly with and under the direction of the Deputy Commissioner for Administration, Dr. Hubert M. Clements, and will receive specific task direction and assignments from the Divisions of Finance and Budget, Management Information Services, and Records and Classification.

Dr. Kososki participated in the development of the first Ten-Year Growth and Capital Improvements Plan for the South Carolina Department of Corrections and over the past year and one-half has assisted the agency in the redesign of its automated systems plan and in the implementation of new financial management and offender record components to the current system. Because of this previous experience, and his demonstrated capabilities, and his previous corrections assistance to the States of Arizona, North Carolina, and Maine, he is uniquely qualified to effectively assist the agency in its management systems development.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes _____ No X*

If yes, How many Bids or Proposals were Received? _____

*Professional services provided on a fee basis are not customarily secured through competitive bids. Professional services sought herewith require unique assistance from a professional person thoroughly familiar with the South Carolina Department of Corrections, corrections in other states, and demonstrated competence as a corrections planner and administrator. Dr. Kososki is such an individual.

CAPACITIES AND PRIORITY DEVELOPMENT FOR SCDC AUTOMATED FISCAL SYSTEM

PRIORITY

SYSTEM CAPABILITY

1. It should provide for an automatic encumbering of funds with contracts and purchase requisitions with payment control predicated on invoice received against the automated encumbrance file. (See Attachment 1)
2. It should automatically segment consumable from non-consumable inventory items and allow for the accumulation of consumable items in inventory pools (with optimal reorder point and perpetual level capability) and for the tagging and tracking of non-consumable inventory items throughout the Agency. (See Attachment 1)
3. It should be capable of accounting for Federal Grant/Contract and State Bond funds as it would for general state appropriations with grant YTD as well as Fiscal YTD accumulation capabilities.
4. It should be capable of handling depreciation and amortization of lump sum purchases so as to give a true cost for a given time period. Additionally, other non-cash expenditure charges for a given period from such things as donations of equipment, services, etc. should be capable of being handled in full cost sense.
5. It should be capable of providing for efficiency tests on the Agency's physical assets (vehicles, facilities, etc.) to aid replacement decisions.
6. It should interface with the State-wide payroll, personnel, budget system to allow for a complete reporting and forecasting of fund usage (and non-usage) in merit, promotion, extra pay, turnover, vacancy and all other position/employee management areas.
7. It should provide for inmate pay (and full value earnings) and associated expenditure reporting.
8. It should allow for the identification of allocable expenditures and then provide a spreading of such costs over different cost centers. The Agency's indirect cost plan should be capable of generation from this.
9. It should be capable of reporting expenditures (cash and full) by unit, fund, facility, expenditure category, program functional usage, inmate, and employee, and by any combination of such bases. It should allow for efficiency/expenditure tests against group averages and other norms or variances that might be specified.
10. It should provide for complete trust accounting with interest crediting to each inmate account.

PRIORITY

SYSTEM CAPABILITY

11. It should be the official books of financial entry with having a complete audit trail available for initial posting and having full journal entry and adjustment capability, including revenue/treasurer accounts and transfers.
12. It should be capable of providing expenditure forecasts for future time periods within expenditure categories with historical trends and relationships factored in.
13. It should provide P & L and Balance Sheet and actual versus budget reporting by industry, product line, location.
14. It should provide inventory recording, control and re-order point capabilities.
15. It should provide cost control by product line to aid in pricing decisions.
16. It should provide for invoicing and customer/market segmentation information to aid the marketing program.

DETAILED DESCRIPTIONS OF PURCHASING/INVENTORY SYSTEM
(PRIORITIES 1 & 2)

- a. Purchase requisitions are immediately encumbered, added to inventory, and tracked;
- b. Vendor shipments and invoices are receipted and term discount benefits are taken;
- c. Vendor payments are edited, aggregated, recorded, and expensed to proper budgets;
- d. Inventory levels for consumables are fixed and assets are updated as additions/deletions are made;
- e. Reorder points for inventory control purposes are established;
- f. Historical commodity usage rates are established for benchmarking future consumption levels; and
- g. Maintenance schedules, asset replacement, and depreciation calculations can be made and expensed.

STATUS OF SCDC AUTOMATION AND ITS IMPACT ON
ADMINISTRATIVE PROCESSING

BACKGROUND

During the period from 1975-77, the Department of Corrections moved into the automation of many of its activities that relate to both offender records and financial transactions.

This initiative had four primary stimuli -

- . A large grant from LEAA, enabled SCDC to substantially automate the inmate records system;
- . Growth in volume of transactions in payroll and vendor purchases accompanying the burgeoning inmate population necessitated an automatic check writing and control capability;
- . New and expanded reporting requirements by centralized state agencies, councils, etc. demanded a computer readable media for data transmittal; and
- . Conviction on the part of key SCDC officials that efficiencies could be effectuated through a more systematic, automated approach to the agency's business.

Since that time and after considerable computer systems development, SCDC's automated efforts could not be characterized as being either efficient or timely. In fact, the computer development could only be viewed as resulting in a partially automated system, thereby inherently and artificially constraining the full application of computer technology to SCDC business. The offender system had a substantial impact on the agency personnel's view of the value of computer applications, which was mostly negative instead of positive. Because the offender records still had to be maintained manually for release calculations, correspondence, etc. and because there was no definitive criteria established for the automated system being the official record; the very long term maintenance of a parallel manual and automated system had two effects -

- . extra clerical effort had to be expended to maintain two systems instead of one, and
- . clerical shortages in the processing of inmates always manifest themselves in data deterioration of the automated system.

Consequently, the computer was viewed and treated as an inefficient and ineffective intruder into inmate records and transactions and any reporting that could be handled by the system would also be guaranteed to be faulty.

The financial system, on the other hand, relies heavily on clerical preparation of input data for the processing of payments, recording of transactions, and the sorting and printing of reports. The system flow of manual paper and data through to key punch and finally to output typically involves transaction element being transposed several times in a typed version and then several times in a hand coded instruction form for keying into the batch processor. In most cases, the data is key punched and entered into the automated system two or more times.

These situations were allowed to develop because of changing requirements placed on SCDC which were added in a piece-meal fashion as the requirements chronologically reached the agency. The reporting changes coupled with the assumption of the old county correctional system in 1974, the burgeoning inmate population in the period 1975-77, and the agency's step-wise response to these needs resulted in an extremely cumbersome and inefficient system.

RECENT CHANGES AND FUTURE ACTIVITIES

OFFENDER SYSTEM

- . Inmate activity module has been augmented to accept and track inmate job assignments and credit earnings involving Earned Work Credits contained in Litter Control Act. (1978)
- . Inmate release, parole eligibilities, and program eligibilities are being automatically calculated and dynamically updated weekly. (1978)

- . Inmate records are automatically scanned for missing and/or incompatible data and those with problem fields are identified as requiring updating. (1978)
- . Quarterly Statistical Reports are automatically generated instead of necessitating hand tabulations off of computer listings. (1977-78)
- . Disciplinary, escape, parole absconding, parole rejection, etc. status changes are being tracked with chronological aging schedule developed of missing paperwork. (1978)
- . Offender profiles are being generated by using statistical package routines (SAS, SPSS) against inmate file. (1978)
- . Inmate Population Forecasting methodology developed. (1978)
- . Inmate processing procedures affecting release have been standardized and formalized. (1978)
- . Youthful Offender/straight-time inmate ambiguous record treatment is being resolved. (1978-79)
- . Intelligent (micro-computer) terminals installation at two reception centers will complete requirements for manual system phase-out. (1979)
- . Classification standardization and program treatment module will be added. (1978-79)
- . Inmate forecasting methodology will be extended to other criminal justice system components and completely automated. (1978-80)
- . Modification will be made to offense coding scheme to align with SLED and South Carolina Court System, for automatic processing from commitment papers, and for legislative change analysis. (1978-80)

FINANCIAL SYSTEM

- . Financial classmaster (control screen) was modified to provide true edit control and reporting change flexibility. (1977)
- . Financial report formats were changed to allow for organizational reporting at each hierarchical level. (1977)

- . Merit Increment reporting and tracking system developed. (1978)
- . Job performance review reporting system developed. (1978)
- . Time, attendance and overtime payment system development. (1978)
- . Payroll system has had edit module completed and added. (1978)
- . Salary splitting component for Federal Grant reporting is designed for addition. (1978)
- . Financial reporting formats extended to budgeting and budget development process. (1978)
- . SCDC Vendor numbers standardized for reporting purposes. (1978)

- . SCDC purchasing forms and process standardized. (1978-79)
- . Revised purchasing and encumbrance system development. (1978-79)
- . Automation of inventory level reporting and control system for consumable and non-consumable assets. (1978-79)
- . Augmentation of payroll file to include positions for position management accounting and control. (1978-79)
- . Decentralization of merit reporting and tracking to budget units. (1978-79)
- . Completion of Federal Grants Reporting Component including automatic funds splitting. (1978-79)
- . Extension of statistical package routines for data file management and to meet short term report generation requirements. (1978-79)
- . Automation of prison industries accounting and canteen management module. (1979-80)
- . Completion of fiscal system development for automatic ledger generation, budget analysis, benefit/cost analysis, and inmate trust accounting. (1979-81)

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STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: Medical University of South Carolina
Date of Report: October 30, 1978 Prepared by: Mr. John E. Wise, Vice President for Administration & Finance
Name of Consultant or Firm: Perkins & Will Architect/Planners Inc.
Address of Consultant or Firm: 1828 L. Street, N.W., Washington, D.C. 20036

Terms of Consultant Contract:

Beginning Date: As soon as possible Ending Date Complete 1 year
Rate of Pay: \$ _____ per _____; Maximum under this contract: \$ 200,000
Source of Funds: Plant Improvement Bonds (100%); _____ (%); _____ (%).

Purpose or Goal of Consultant: To develop a University Master Plan - Working with the faculty and University staff develop a master plan for the Medical University which provides for the planned intergration of the Clinical Services, Teaching and Research functional needs with the intent of developing the maximum utilization of existing University Buildings plus a plan responsive to the expansion plans of the University.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes _____ No X

If yes, How many Bids or Proposals were Received? Perkins & Will have been working under a consultant agreement dated 1974 which involved space programs plans for the renovation of Medical University Hospital and the Children's Hospital project. It is the intent (capitalizing on knowledge gained on the above) to expand their work resulting in a master plan of University present space utilization and projected new facilities required to provide for the mission, goals and objectives of the University.

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: STATE PERSONNEL DIVISION

Date of Report: 11/6/78 Prepared by: McInnis

Name of Consultant or Firm: DAVID DEVRIES

Address of Consultant or Firm: LANCASTER, SC

Terms of Consultant Contract:

Beginning Date: _____ Ending Date _____

Rate of Pay: \$ 35.00 per day plus expenses; Maximum under this contract: \$ 250.00

Source of Funds: State (100%); _____ (%); _____ (%).

Purpose or Goal of Consultant:

For service as a resource person for the Ad Hoc Agency
Head Advisory Committee on pay practices.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes _____ No _____

If yes, How many Bids or Proposals were Received? _____

STATE BUDGET AND CONTROL BOARD

MEETING OF November 10, 1978

AGENDA ITEM NUMBER

Agency: State Personnel Division

Subject: Consultant's compensation of \$35.00 a day plus expenses for Mr. David DeVries for his services to the Agency Head Advisory Committee on pay practices.

Board Action Requested: Board approval requested.

Staff Comment: Mr. DeVries served as a resource person for the Ad Hoc Agency Head Advisory Committee at his own expense which included four trips from Lancaster to Columbia. Mr. DeVries made a considerable contribution to the committee and had a significant impact on the final recommendations submitted by the committee.

Attachments: