

MINUTES OF  
Budget and  
Control Board  
Meeting

May 25, 1981

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLEE MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

May 26, 1981

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Secretary *WAM*

SUBJECT: Budget and Control Board Actions at May 25, 1981 Meeting

During the regular business session portion of the May 25, 1981 meeting, the Budget and Control Board took the following actions:

1. Approved a Spartanburg County proposal to issue \$1,500,000 Industrial Revenue Note on behalf of the Schweiter Corporation project;
2. Received as information a Finance Division (Engineering) report that the following permanent improvement projects had been released by staff after their review by the Joint Bond Review Committee: on Summary 45-81, item 3a, Parks, Recreation and Tourism, Oconee Station Planning, and item 3b, Parks, Recreation and Tourism, Jones Gap Trail Restoration and Stabilization; on Summary 61-82, Health and Environmental Control, Harden Street Warehouse Renovation; and on Summary 54-81, Midlands TEC Airport Campus, Building #42 Renovation;
3. Approved the Grants and Contracts Subcommittee recommendations on a package of 26 projects dated May 18, 1981 involving a total of \$131,310,662;
4. Approved consulting services contracts between: (a) Educator Improvement Task Force and Planning, Development and Evaluation Associates, Inc.; (b) Highways and Public Transportation and Parsons Brinckerhoff Quade & Douglas, Inc.; and (c) State Library and Leslie Advertising Agency;
5. Approved the USC - Lancaster selection of William B. Leland, Consulting Engineer, to provide an engineering survey of all heating and airconditioning systems in Hubbard Hall, Starr Hall and Medford Hall with recommendations for improvements and modifications to upgrade systems for a fee of \$1,000;
6. Approved the Department of Highways and Public Transportation selection of Harrington, George and Dunn, Atlanta, Georgia, to provide the services required in a project to widen the bridge over Fishing Creek and the bridge over SCL Railroad on USC Route 21, SC Routes 97 and 200 in Chester County;

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7. Carried over to the next meeting its consideration of a report summarizing the results of a review of the activities of the Motor Vehicle Management Division;
8. Authorized the State Board for Technical and Comprehensive Education to transfer \$327,000 from computer system, \$68,000 from innovative technical training (Design for the 80's), \$71,000 from mobile training units, and \$56,494 from the base pay increase allocation to industrial services; and authorized the Department of Corrections to transfer \$376,000 of personal service funds to various operating accounts;
9. Approved regulations of the State Fire Commission for submission to the General Assembly for review as required in Section 1-23-120 of the South Carolina Code of Laws;
10. Carried over to a future meeting consideration of three University of South Carolina requests to establish and release permanent improvement projects authorized in Act 518 of 1980;
11. Approved the establishment and release of ten permanent improvement projects of the State Ports Authority included on Summaries 28-81 and 40-81, after their review and approval by the Joint Bond Review Committee; and approved the establishment and release of the following projects, after their review and approval by the Joint Bond Review Committee: Department of Mental Health, Thompson Building demolition, budget reduction to \$111,400; Division of General Services, renovation of J. Marion Sims Building, increase budget to \$993,484; PRT, Hunting Island beach erosion control project, increase budget to \$1,562,000; PRT, Dreher Island State Park project, increase budget by \$727,500; USC - Lancaster, health, community and physical education building, reduction of \$260,000 Institution Bond funds and addition of \$409,169 of interest earnings and pledges; and South Carolina State College Lewis Laboratory addition and renovation project, using \$850,000 surplus Institution Bond debt service funds;
12. Approved a blanket bond for Medical University security personnel;
13. Agreed to hold the next regular meeting at 9:30 a.m., June 9, 1981, and agreed to invite the Board of Economic Advisors to make a presentation at that meeting;
14. Carried over a proposal to authorize the acquisition of a master control computer for the Educational Television Commission;
15. Authorized the issuance of a request for proposal for computer equipment for the Comptroller General's Office, on the condition that funding for the acquisition of this equipment is included in the 1981-82 Appropriations Act;

16. Agreed to receive as information and to let the time expire on State Employee Grievance Committee findings and decision in a grievance case involving the State Development Board;

17. Authorized the Executive Director's Office to pay the costs of food and lodging for this meeting to the Public Service Authority from the Civil Contingent Fund; and

18. Ratified actions taken during executive session.

[Secretary's Note: This regular business meeting was held at mid-day at the Public Service Authority facility at Wampee, near Pinopolis. The main purpose of this meeting was to launch the 1982-83 budget preparation cycle.]

WAM:dw

MINUTES OF BUDGET AND CONTROL BOARD MEETING

MAY 25, 1981      9:00 A. M.

The Budget and Control Board met at 9:00 a.m. on Monday, May 25, 1981, at the Public Service Authority facilities at Wampee with the following members in attendance:

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

Staff members attending included Executive Director W. T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistants Katherine M. Clarke, Donald Hinson, Steve Hooks, Terry Peterson, and Bill Prince; Finance Division Director Edgar A. Vaughn, Jr., and staff members Jesse Coles, Sam Griswold, Preston Cantrell, George Oliver, Phil Latham, Al Loftis, George Dorn, Curtis Holt, James Kirk and Elmer Whitten; General Services Division Director T. M. Copeland; Personnel Division Director Jack Mullins and staff member Tom Lucht; Motor Vehicle Management Division Director Allan Spence; Senate Finance Committee staff member William Jordan; Ways and Means Committee staff members Marian Laney and Jon Nason; and Administrative Assistant Donna Williams.

BUDGET AND CONTROL BOARD - 1982-83 BUDGET PREPARATION PRELIMINARIES -

State Auditor Vaughn opened the meeting with an overview of the materials to be covered in the first session and emphasized the many unknowns to be faced in the 1982-83 budget cycle.



With regard to the revenue projection, Mr. Vaughn noted that the present indication is that an increase in general fund revenue of about \$176.7 million can be anticipated in 1982-83. He pointed out that the projected 1982-83 revenue of \$2.088 billion would bring state expenditures to within \$52 million of the spending limitation. He also noted that no data presently are available for estimating the employee limitation situation.

Mr. Vaughn also pointed out that fiscal year 1982-83 is the year when, under present circumstances, the twenty-seventh pay period, which would cost approximately \$26 million, would materialize. He indicated that some thinking about shifting pay periods to a first and fifteenth basis has been considered.

Staff member Sam Griswold reviewed a series of items considered to be statewide pre-commitments. They included debt service (an increase of \$31.5 million); aid to subdivisions (\$17.4 million to continue eliminating the freeze); annualization of base pay increases (\$17 million); health insurance (\$4.6 million); employer contributions, social security (\$1.2 million); and \$9.2 million for funding the reserve fund, for a total of about \$81 million. Mr. Griswold then listed \$99.9 million of specific agency commitments which, in all probability, will have to be provided for. He then identified \$97.8 million in addition which would be needed to cover a base pay increase (\$67.7 million); to provide for the twenty-seventh pay period (\$26 million); rent increases (\$2 million); and a mileage allowance increase (\$2 million).

State Personnel Division Director Jack Mullins then reviewed several areas or groups of employees for which studies of salary comparability are underway. He expressed the view that the state government would stay competitive if a salary increase of 8.75% payout were granted in 1982-83.

Grants Services Administrator George Oliver presented an analysis of the federal budget cutbacks and estimated that South Carolina stands to lose approximately 25% of the federal funds it currently receives.

Mr. Vaughn then observed that SLED Chief Pete Strom had previously pointed out to him that the gloomy financial situation and shortfalls did not happen when Mr. P. C. Smith was State Auditor but that they had become a regular routine since he had occupied the position. Mr. Vaughn then summarized the financial situation by noting that if one starts with additional revenue of \$176.7 million and deducts \$80.9 million for statewide precommitments and \$99.9 million for agency commitments, a deficit or shortfall situation is immediately confronted. That situation is compounded by other requirements such as a base pay increase and related matters amounting to \$97.8 million for a total shortfall of about \$102 million which if reduced by the \$26 million involved in the twenty-seventh payroll would amount to about \$76 million.

Mr. Vaughn noted that several budgeting options are available to the Board including increasing revenue, reallocating funds, eliminating programs or agencies and across-the-board reductions. He expressed the view that agencies have stood about as much across-the-board cuts as they can stand and that the staff cannot realistically recommend that approach. He also noted that revenue losses are contributing to the problem as well.

A brief discussion of legislative intent regarding the mechanics of the budget process then ensued and Mr. Vaughn indicated his desire to pursue this subject with the Board at a later time.

Following this morning presentation on the 1982-83 budget cycle, the Board conducted a regular business meeting which included the following items after which it returned to an afternoon session on the 1982-83 budget preparation effort.

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BLUE AGENDA - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved all items on the blue agenda. Blue agenda items are identified as such in these minutes.

INDUSTRIAL REVENUE NOTE (BLUE AGENDA #1) - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved a Spartanburg County proposal to issue \$1,500,000 Industrial Revenue Note on behalf of the Schweiter Corporation, on the condition that the required reviews by the Attorney General's Office and the Auditor's Office be completed with satisfactory results.

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

FINANCE DIVISION (ENGINEERING) - PERMANENT IMPROVEMENT PROJECTS RELEASED BY STAFF (BLUE AGENDA #2) - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board received as information a report that the following permanent improvement projects had been released by staff after their review by the Joint Bond Review Committee:

(a) On Summary 45-81, item 3a, Parks, Recreation and Tourism, Oconee Station Planning; and item 3b, Parks, Recreation and Tourism, Jones Gap Trail Restoration and Stabilization;

(b) On Summary 62-81, Health and Environmental Control, Harden Street Warehouse Renovation; and

(c) on Summary 54-81, Midlands TEC Airport Campus, Building #42 Renovation.

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

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FINANCE DIVISION (GRANTS SERVICES) - PACKAGE OF 26 PROJECTS DATED

5/18/81 (BLUE AGENDA #3) - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved Grants and Contracts Subcommittee recommendations on a package of 26 projects dated May 18, 1981, involving a total of \$131,310,662.

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

CONSULTANT SERVICES CONTRACTS (BLUE AGENDA #4) - Upon a motion by

Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved the following consultant services contracts:

- (a) Educator Improvement Task Force  
Consultant: Planning, Development and Evaluation Associates, Inc.  
Tampa, Florida  
Maximum Amount: \$75,000, 100% state funds  
Time Period: 7/1/81 - 3/31/82  
Purpose: To field test the Education Entrance Examination (basic skills) to include administration, data analysis, and reports to the Task Force.
- (b) Department of Highways and Public Transportation  
Consultant: Parsons Brinckerhoff Quade & Douglas, Inc.  
Atlanta, Georgia  
Maximum Amount: \$45,000, 90% federal funds, 10% state funds  
Time Period: 6/15/81 - 12/15/81  
Purpose: To prepare the Economic Impacts portion of the overall Environmental Impact Statement meeting federal and state requirements for proposed improvements to a section of I-85 in Spartanburg County.
- (c) State Library  
Consultant: Leslie Advertising Agency, Greenville, SC  
Maximum Amount: \$16,800, 60% state funds, 40% federal funds  
Time Period: 7/1/81 - 6/30/82  
Purpose: To interpret the objectives and functions of the statewide library programs, plan and carry out a statewide program of publicity and public relations designed to publicize the library and its services to the general public, attempt to increase public understanding of library programs and awareness of services provided.

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

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USC - LANCASTER - A&E SELECTION APPROVAL REQUEST (SMALL PROJECTS)

(BLUE AGENDA #5) - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved the University of South Carolina, Lancaster Campus selection of William B. Leland, Consulting Engineer, to provide an engineering survey of all heating and airconditioning systems in Hubbard Hall, Starr Hall and Medford Hall with recommendations for improvements and modifications to upgrade systems for a fee of \$1,000.

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

HIGHWAYS AND PUBLIC TRANSPORTATION - A&E SELECTION APPROVAL REQUEST

(BLUE AGENDA #6) - Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Budget and Control Board approved the Department of Highways and Public Transportation selection of Harrington, George and Dunn, Atlanta, Georgia, to provide the services required in a project to widen the bridge over Fishing Creek and the bridge over SCL railroad on US Route 21 and SC Routes 97 and 200 in Chester County.

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

MOTOR VEHICLE MANAGEMENT - MANAGEMENT REVIEW - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board carried over to the next meeting its consideration of a report summarizing the results of a review of the activities of the Motor Vehicle Management Division.

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

FINANCE DIVISION (BUDGET DEVELOPMENT) - TRANSFER REQUEST (TEC AND DEPARTMENT OF CORRECTIONS) - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board authorized the State Board for Technical and Comprehensive Education to transfer \$327,000 from computer system, \$68,000 from innovative technical training (Design for the 80's), \$71,000 from mobile training units, and \$56,494 from the base pay increase allocation to industrial services and authorized the Department of Corrections to transfer \$376,000 of personal service funds to various operating accounts.

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

STATE FIRE COMMISSION - PROPOSED REGULATIONS - Upon a motion by Mr. Patterson, seconded by Representative Mangum, the Budget and Control Board approved regulations of the State Fire Commission for submission to the General Assembly for review as required in Section 1-23-120 of the South Carolina Code of Laws.

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

FINANCE DIVISION (ENGINEERING) - ESTABLISHMENT AND RELEASE OF PERMANENT IMPROVEMENT PROJECTS - The Budget and Control Board carried over to a future meeting consideration of three University of South Carolina requests to establish and release permanent improvement projects authorized in Act 518 of 1980.

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



FINANCE DIVISION (ENGINEERING) - ESTABLISHMENT AND RELEASE OF PERMANENT IMPROVEMENT PROJECTS - Upon a motion by Mr. Morris, seconded by Senator Dennis, the Budget and Control Board approved the establishment and release of ten permanent improvement projects of the State Ports Authority included on Summaries 28-81 and 40-81, which had been reviewed and approved by the Joint Bond Review Committee.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board approved the establishment and release of the following permanent improvement projects which had been reviewed and approved by the Joint Bond Review Committee: Department of Mental Health, Thompson Building demolition, budget reduction to \$111,400; Division of General Services, renovation of J. Marion Sims Building, increase budget to \$993,484; PRT, Hunting Island beach erosion control project, increase budget to \$1,562,000; PRT, Dreher Island State Park project, increase budget by \$727,500; USC - Lancaster, health, community and physical education building, reduction of \$260,000 of Institution Bond funds and addition of \$409,169 of interest earnings and pledges; and South Carolina State College, Lewis Laboratory addition and renovation project, using \$850,000 surplus Institution Bond debt service funds.

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

MEDICAL UNIVERSITY - BLANKET BOND FOR SECURITY PERSONNEL - Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board approved a blanket bond for Medical University security personnel.

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

FUTURE MEETING - The Budget and Control Board agreed to meet at 9:30 a.m. on Tuesday, June 9, 1981, in the Governor's conference room and agreed to invite the Board of Economic Advisors to make a presentation at that meeting.

EXECUTIVE SESSION - Board members agreed to consider two contractual matters and one grievance matter in executive session whereupon Governor Riley declared the meeting to be in executive session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Budget and Control Board ratified the following actions taken in executive session:

(1) Carried over a proposal to authorize the acquisition of a master control computer for the Educational Television Commission;

(2) Authorized the issuance of a request for proposal for computer equipment for the Comptroller General's Office, on the condition that funding for the acquisition of this equipment is included in the 1981-82 Appropriations Act; and

(3) Agreed to receive as information and to let the time expire on State Employee Grievance Committee findings and decision in a grievance case involving the State Development Board.

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1982-83 BUDGET PREPARATION - The Board continued its deliberations on the 1982-83 budget cycle after the regular business session and lunch.

The first afternoon session was on the subject of state goals and objectives and Executive Director Putnam led that discussion. He introduced the subject by indicating that the goals and objectives to be presented were not to be considered for adoption today but rather that they would serve hopefully to convince the Board of the need to set goals and objectives. Mr. Putnam then presented statements relating to the following categories: public safety, education, health, the independence and well-being of individuals and families, economic development, regulation of economic activity, public transportation and the efficient and effective administration of state government.

In the course of this discussion, Governor Riley stressed the importance of prevention, programs which support families and noted that reallocation of resources will be a key consideration in the future.

Following that discussion, State Auditor Vaughn expressed appreciation for the Board's participation and Deputy State Auditor Coles summarized the session.

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

CIVIL CONTINGENT FUND ALLOCATION FOR MEETING COSTS - The Board without objection authorized the Executive Director's Office to pay the costs of food and lodging for this meeting to the Public Service Authority from the Civil Contingent Fund.

The meeting was adjourned at 3:10 p.m.

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[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary in the State House and near the Board Secretary's office in the Wade Hampton Office building at 8:30 a.m. on Friday, May 22, 1981.]

The State of South Carolina



JUN 02 1981

Office of the Attorney General

KAREN LeCRAFT HENDERSON  
Senior Assistant Attorney General

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

DANIEL R. McLEOD  
ATTORNEY GENERAL

EXHIBIT

May 19, 1981

MAY 25 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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

Re: \$1,500,000 Spartanburg County, South  
Carolina, Industrial Revenue Note, Series  
1981 (Schweiter Corp. Project)

Dear Mr. Putnam:

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

With kind regards,

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

Karen LeCraft Henderson  
Senior Assistant Attorney General

KLH/jvh

Enclosures

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# EXHIBIT

MAY 25 1981

NO. 1

## ORIGINAL

STATE BUDGET & CONTROL BOARD

RESOLUTION

STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

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

WHEREAS, the proposed undertaking (the Undertaking) consists of the financing of the acquisition, construction and installation of certain land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility, and the County Board proposes to finance the acquisition, construction and installation of the Project to be owned and operated by Schweiter Corporation (the Company), a Delaware corporation, in Spartanburg County, South Carolina (the County) through the issuance and delivery of an Industrial Revenue Note pursuant to the Act and to an ordinance (the Note Ordinance) adopted by the County Board; and

WHEREAS, the Company will agree in a Loan Agreement (the Loan Agreement) to pay to the County amounts sufficient to provide for the payment of the Note to which reference is hereinafter made and the costs and expenses resulting from the issuance thereof; and

WHEREAS, in order to finance the acquisition, construction and installation of the Project, the County

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Board proposes to provide for the issuance and delivery of a \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) (the Note) pursuant to the Act and to the Note Ordinance, payable by the County from the amounts derived from the Loan Agreement and secured by a Mortgage & Security Agreement (the Mortgage) from the Company to The South Carolina National Bank (the Bank) and by an Assignment of Loan Agreement (the Assignment) from the County to the Bank; and

WHEREAS, the form of the Loan Agreement, the Mortgage, the Assignment, the Note Ordinance and the Note have been considered by the Board,

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

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

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

(b) That the County Board has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Loan Agreement, the Mortgage, the Assignment, the Note Ordinance and the Note;

(c) That the Project will provide employment for approximately five (5) persons; and

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

2. On the basis of the foregoing findings, the proposed undertaking of the County Board to acquire, construct and install the Project, to finance the cost of the Project through the issuance of the \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) pursuant to the Note Ordinance, payable from the revenues to be derived by the County from the Loan Agreement and secured by the Mortgage and by the Assignment, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same is hereby approved.

3. Notice of the action taken by the State Board in giving approval to the Undertaking shall be published in the HERALD, a newspaper having general circulation in the County.

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

EXHIBIT "A"

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

Notice is hereby given that following the filing of a Petition by Spartanburg County Council (the County Board) to the State Budget and Control Board of South Carolina (the State Board) approval has been given by the State Board to the following undertaking (the Undertaking)(including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz.: the financing of the acquisition, construction and installation of certain land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility of Schweiter Corporation (the Company), a Delaware corporation, in Spartanburg County, South Carolina (the County).

To finance the acquisition, construction and installation of the Project, the County will issue the \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) (the Note) pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended. The Note will be payable by the County solely from the amounts to be paid to the County by the Company pursuant to a loan agreement (the Loan Agreement) between the County and the Company. The Company has irrevocably covenanted and agreed to pay when due all sums required to pay the principal of, prepayment penalty, if any, and interest on the Note, and the Note will



be secured by a mortgage & security agreement (the Mortgage) which will constitute a mortgage lien on, and security interest in, the Project and by an assignment of loan agreement (the Assignment) which will constitute a pledge of the revenues to be received by the County pursuant to the Loan Agreement. The Note will be issued pursuant to the Act and to an ordinance (the Note Ordinance) adopted by the County Board.

The Project will provide employment for approximately five (5) persons.

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

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

PUBLICATION DATE:  
May 26, 1981

22202

# EXHIBIT

MAY 25 1981 NO. 1

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held at the Public Service Authority facility at Wampee, near Pinopolis, South Carolina at 9:00 A. M., Monday, May 25, 1981, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting.

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, 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

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AGAINST MOTION

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

\_\_\_\_\_  
Secretary

June 2, 1981

22203

Russell J Froneberger  
Senior Vice President

1241 Main Street  
Columbia SC 29226  
Tel 803 765 3379

MAY 20 1981

*Handwritten signature*  
5-22-81

May 19, 1981

South Carolina  
National Bank

EXHIBIT

MAY 25 1981 NO. 1

STATE BUDGET & CONTROL BOARD

William A. McInnis, Secretary  
State Budget Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Dear Mr. McInnis:

In connection with our proposed purchase of the \$1,500,000.00 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project), we wish to advise that we have received all financial and other information requested from Schweiter Corporation in order to reach an informed investment decision. We are purchasing the Note for investment with no present intention to distribute the Note or any portion thereof to the public, although we reserve the right to do so should our corporate needs so dictate.

Sincerely,

*Handwritten signature of Russell J. Froneberger*

RUSSELL J. FRONEBERGER  
Senior Vice President

RJF/bc

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# EXHIBIT

STATE OF SOUTH CAROLINA

MAY 25 1981 NO. 1

COUNTY OF SPARTANBURG

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of Spartanburg County Council (County Council) respectfully shows:

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

2. The Act authorizes and empowers County Council, if it shall comply with the provisions set forth in the Act, to acquire or cause to be acquired land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise and to finance the acquisition, construction and installation of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and machinery and other improvements.

3. County Council has agreed with Schweiter Corporation (the Company), a Delaware corporation, that the County will undertake to finance the acquisition,

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construction and installation of certain land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility located in the County through the issuance and delivery of an Industrial Revenue Note pursuant to the Act. In this connection, County Council has agreed to issue a One Million Five Hundred Thousand Dollar (\$1,500,000) Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) (the Note) pursuant to the Act and to an ordinance (the Note Ordinance) adopted by County Council in order to finance the acquisition, construction and installation of the Project (the Undertaking).

4. County Council is advised by the Company that the cost of the Project will be approximately One Million Five Hundred Thousand Dollars (\$1,500,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project, including the costs and charges incident to the issuance and delivery of the Note, it is necessary that County Council issue and deliver the Note in that amount.

5. When completed, the Project will provide employment for approximately five (5) persons.

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

(a) the Undertaking will subserve the purposes of the Act;

22206

(b) by reason of the Undertaking, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power;

(c) the proposed loan agreement (the Loan Agreement) between the County and the Company unconditionally obligates the Company to pay an amount adequate to provide for the payments of the principal of, prepayment penalty, if any, and interest on the Note;

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

(e) the terms of the Loan Agreement require the Company to carry proper insurance and to pay all costs of maintaining the Project in good repair.

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

(a) The Undertaking consists of the financing of the acquisition, construction and installation of certain land, buildings, machinery and equipment to constitute a textile machinery assembly facility in the County.

(b) The Project will provide employment for approximately five (5) persons. It is therefore believed that the Undertaking will have a beneficial effect upon the economy of the County and areas adjacent thereto.



(c) The cost of the entire Undertaking will amount to approximately \$1,500,000, including the cost of acquiring, constructing and installing the Project and all other expenses to be incurred in connection therewith.

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

(a) To finance the cost of the acquisition, construction and installation of the Project the County will issue and deliver a \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project). The Note will be secured by a pledge of the amounts to be paid to the County by the Company and by a mortgage & security agreement, as authorized by the Act;

(b) The proceeds derived from the issuance and delivery of the Note will be used to pay the costs incident to the acquisition, construction and installation of the Project and the issuance of the Note; and

(c) The Loan Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

9. The proposed mortgage & security agreement (the Mortgage) is in conventional form and constitutes a foreclosable mortgage upon the Project. Included in the

granting clauses of the Mortgage will be all real and personal property and interests therein, acquired or to be acquired, for the Project.

10. Pursuant to a proposed assignment of loan agreement (the Assignment) the County will assign to the purchaser of the Note, as additional security for the payment of the Note, all right, title and interest of the County in the Loan Agreement except tax payments and payments to be made or by way of indemnification.

11. The Note will be issued by the County pursuant to the proposed ordinance (the Note Ordinance) which provides for the payment and redemption of the Note. The Note Ordinance imposes upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, prepayment penalty, if any, and interest on the Note, all other costs and expenses resulting from the Note Ordinance and the issuance of the Note pursuant thereto.

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

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

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

May 13 1981.

Respectfully Submitted,

By Kenneth L. Westmoreland  
County Administrator,  
Spartanburg County, South  
Carolina

Attest:

By Causey B. Davis  
Clerk, Spartanburg  
County Council

(SEAL)

22210



# EXHIBIT

MAY 25 1981

NO. 1 REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

STATE BUDGET & CONTROL BOARD Item for Board meeting of 5/25/81

1. Local Government: Spartanburg County
2. Bond Counsel:
  - (a) Firm Sinkler Gibbs & Simons
  - (b) Contact Person J. Mitchell Johnson, Jr. Phone 722-3366
  - (c) Address Box 340, Charleston, SC 29402
3. Project Name: Schweitzer Corporation
4. Issue Amount: \$ 1,500,000 Note Type: Industrial Revenue
5. Employment Impact of Project: 5 approximately
6. Type/Nature of Business of Firm Involved: textile machinery assembly facility

\* \* \* \* \*

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	—	KH by FMJ 5/18
(b) Documents on issuance/securing of bonds	—	KH by FMJ 5/18
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>South Carolina National</u> )	— SCN 5/20	— EAV 5/20 OK 5/20 XXXXXXXXXX
(3) Review by State Auditor's Office (memo)	—	—
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice ( <u>7</u> copies for certification for bond counsel)	FMJ 5/19	KH (i) 5/19
(f) Review by Attorney General's Office (letter)	—	XXXXXXXXXX

22211

MAY 19 1981

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
G. DANA SINKLER  
THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK  
M. WILLIAM YOUNGBLOOD, JR.  
JOHN H. WARREN III  
STEPHEN E. DARLING  
JOHN P. LINTON  
MARGARET A. CHRISTIAN  
CHARLTON deSAUSSURE, JR.  
MARVIN D. INFINGER  
LINDSAY D. WALKER  
F. MITCHELL JOHNSON, JR.  
CONNOR M. COGSWELL  
KATHLEEN D. CRANE \*  
J. DOUGLAS NUNN, JR.  
\*ADMITTED IN GEORGIA ONLY

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA

TELEPHONE AND  
TELECOPIER:  
(803) 722-3366  
MAILING ADDRESS:  
POST OFFICE BOX 340  
CHARLESTON, S.C. 29402

May 18, 1981

EXHIBIT

MAY 25 1981 NO. 1

Mr. William A. McInnis  
Secretary, State Budget and  
Control Board of South Carolina  
Post Office Box 12444  
Columbia, South Carolina 29211

STATE BUDGET & CONTROL BOARD

Re: \$1,500,000 Spartanburg County, South Carolina,  
Industrial Revenue Note, Series 1981 (Schweiter  
Corporation Project)

Dear Mr. McInnis:

I am enclosing herewith an original and six copies  
of a Resolution for consideration by the Board at its  
next meeting scheduled for May 25.

It is my understanding that The South Carolina  
National Bank has furnished you with an investment letter  
relating to this issue.

Very truly yours,

*F. Mitchell Johnson, Jr.*  
F. Mitchell Johnson, Jr.

FMJ/bjh  
Enclosures

cc: Mrs. Karen L. Henderson

22212

# EXHIBIT

SINKLER GIBBS & SIMONS MAY 25 1981

NO. 1

HUGER SINKLER  
CHARLES H. GIBBS  
ALBERT SIMONS, JR.  
G. DANA SINKLER  
THOMAS A. HUTCHESON  
ROBERT H. HOOD  
CHARLES F. AILSTOCK  
M. WILLIAM YOUNGBLOOD, JR.  
JOHN H. WARREN III  
STEPHEN E. DARLING  
JOHN R. LINTON  
MARGARET A. CHRISTIAN  
CHARLTON deSAUSSURE, JR.  
MARVIN D. INFINGER  
LINDSAY D. WALKER  
F. MITCHELL JOHNSON, JR.  
CONNOR M. COGSWELL  
KATHLEEN D. CRANE \*  
J. DOUGLAS NUNN, JR.  
\*ADMITTED IN GEORGIA ONLY

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

TELEPHONE 722-3366  
TELECOPIER:  
(803) 722-3366

MAILING ADDRESS:  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

May 18, 1981

Mrs. Karen L. Henderson  
Assistant Attorney General  
Post Office Box 11549  
Columbia, South Carolina 29211

Re: \$1,500,000 Spartanburg County, South Carolina,  
Industrial Revenue Note, Series 1981 (Schweiter  
Corporation Project)

Dear Mrs. Henderson:

I am enclosing herewith for your review copies  
of the following documents relating to the above-referenced  
note issue:

1. Loan Agreement
2. Mortgage & Security Agreement
3. Note Ordinance

I also enclose the original Petition of Spartanburg  
County Council and a signed copy of the Resolution authorizing  
the Petition.

If any additional information is required, please  
advise.

Very truly yours,

*F. Mitchell Johnson, Jr.*

F. Mitchell Johnson, Jr.

FMJ/bjh

Enclosures

cc: Mr. William A. McInnis

22213



# EXHIBIT

MAY 25 1981 NO. 1

STATE BUDGET & CONTROL BOARD D

## A RESOLUTION

APPROVING THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN LAND, BUILDINGS, MACHINERY AND EQUIPMENT AT INDUSTRIAL FACILITIES IN SPARTANBURG COUNTY, SOUTH CAROLINA (THE COUNTY) TO BE OWNED AND OPERATED BY SCHWEITER CORPORATION (THE COMPANY) THROUGH THE ISSUANCE AND DELIVERY OF A ONE MILLION FIVE HUNDRED THOUSAND DOLLAR (\$1,500,000) SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1981 (SCHWEITER CORPORATION PROJECT)(THE NOTE); AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY SPARTANBURG COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

## ARTICLE I

### FINDINGS OF FACT

#### SECTION 1.01

Incident to the adoption of this Resolution, Spartanburg County Council (County Council), which is the governing body of the County, has made the following findings:

1. The Company, a Delaware corporation, has proposed that the County assist in financing the acquisition, construction and installation of certain land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility in the County at an estimated cost of \$1,500,000 through the issuance and delivery of an Industrial Revenue Note pursuant to the authorization of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act).

2. The Company has advised County Council that its proposed industrial project would be aided by the assistance

22214

which the County might render through the issuance and delivery of an Industrial Revenue Note in the principal amount of \$1,500,000 pursuant to the Act.

3. County Council has agreed to finance the acquisition, construction and installation of the Project and adopts this Resolution to evidence its approval of the issuance and delivery of the Note as aforesaid and to authorize a petition to the State Budget and Control Board of South Carolina (the State Board) setting forth the facts required by the Act.

4. County Council has determined that the financing of the acquisition, construction and installation of the Project (the Undertaking) will subserve the purposes of the Act and that neither the Undertaking nor the Note will give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

5. The amount necessary to finance the Project is One Million Five Hundred Thousand Dollars (\$1,500,000).

6. The Company has submitted to County Council a draft of a proposed loan agreement (the Loan Agreement ) under which the Company agrees to pay the amounts necessary to provide the payments of principal of, prepayment penalty, if any, and interest on the Note.

7. The Loan Agreement obligates the Company unconditionally to pay the amount necessary to provide the payments of principal of, prepayment penalty, if any, and interest on the Note and to pay other costs in connection therewith.

8. The Company has also submitted to County Council a draft of a proposed mortgage & security agreement pursuant to which the Project is mortgaged as security for the payment of the Note.

9. The Company has also submitted to County Council a draft of a proposed assignment of loan agreement pursuant to which the County will assign certain of its rights in the Loan Agreement as additional security for the payment of the Note.

10. The Company has arranged for the sale of the Note to The South Carolina National Bank.

11. In view of the well established credit of the Company and the successful arrangements to effect a sale of the Note without the establishment of a reserve fund for the payment of the principal of, prepayment penalty, if any, and interest on the Note, no such reserve fund will be established.

## ARTICLE II

### SUBMISSION OF PETITION

#### SECTION 2.01

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



EXHIBIT A

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

\_\_\_\_\_  
TO THE STATE BUDGET AND CONTROL )

BOARD OF SOUTH CAROLINA )

P E T I T I O N

The Petition of Spartanburg County Council (County Council) respectfully shows:

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

2. The Act authorizes and empowers County Council, if it shall comply with the provisions set forth in the Act, to acquire or cause to be acquired land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise and to finance the acquisition, construction and installation of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and machinery and other improvements.

3. County Council has agreed with Schweiter Corporation (the Company), a Delaware corporation, that the County will undertake to finance the acquisition,

construction and installation of certain land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility located in the County through the issuance and delivery of an Industrial Revenue Note pursuant to the Act. In this connection, County Council has agreed to issue a One Million Five Hundred Thousand Dollar (\$1,500,000) Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) (the Note) pursuant to the Act and to an ordinance (the Note Ordinance) adopted by County Council in order to finance the acquisition, construction and installation of the Project (the Undertaking).

4. County Council is advised by the Company that the cost of the Project will be approximately One Million Five Hundred Thousand Dollars (\$1,500,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project, including the costs and charges incident to the issuance and delivery of the Note, it is necessary that County Council issue and deliver the Note in that amount.

5. When completed, the Project will provide employment for approximately five (5) persons.

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

(a) the Undertaking will subserve the purposes of the Act;

(b) by reason of the Undertaking, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing power;

(c) the proposed loan agreement (the Loan Agreement) between the County and the Company unconditionally obligates the Company to pay an amount adequate to provide for the payments of the principal of, prepayment penalty, if any, and interest on the Note;

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

(e) the terms of the Loan Agreement require the Company to carry proper insurance and to pay all costs of maintaining the Project in good repair.

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

(a) The Undertaking consists of the financing of the acquisition, construction and installation of certain land, buildings, machinery and equipment to constitute a textile machinery assembly facility in the County.

(b) The Project will provide employment for approximately five (5) persons. It is therefore believed that the Undertaking will have a beneficial effect upon the economy of the County and areas adjacent thereto.



(c) The cost of the entire Undertaking will amount to approximately \$1,500,000, including the cost of acquiring, constructing and installing the Project and all other expenses to be incurred in connection therewith.

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

(a) To finance the cost of the acquisition, construction and installation of the Project the County will issue and deliver a \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project). The Note will be secured by a pledge of the amounts to be paid to the County by the Company and by a mortgage & security agreement, as authorized by the Act;

(b) The proceeds derived from the issuance and delivery of the Note will be used to pay the costs incident to the acquisition, construction and installation of the Project and the issuance of the Note; and

(c) The Loan Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

9. The proposed mortgage & security agreement (the Mortgage) is in conventional form and constitutes a foreclosable mortgage upon the Project. Included in the

granting clauses of the Mortgage will be all real and personal property and interests therein, acquired or to be acquired, for the Project.

10. Pursuant to a proposed assignment of loan agreement (the Assignment) the County will assign to the purchaser of the Note, as additional security for the payment of the Note, all right, title and interest of the County in the Loan Agreement except tax payments and payments to be made or by way of indemnification.

11. The Note will be issued by the County pursuant to the proposed ordinance (the Note Ordinance) which provides for the payment and redemption of the Note. The Note Ordinance imposes upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, prepayment penalty, if any, and interest on the Note, all other costs and expenses resulting from the Note Ordinance and the issuance of the Note pursuant thereto.

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

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

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

May \_\_, 1981.

Respectfully Submitted,

By s/Kenneth W. Westmoreland  
County Administrator,  
Spartanburg County, South  
Carolina

Attest:

By s/Carolyn P. Parris  
Clerk, Spartanburg  
County Council

(SEAL)



STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

I, the undersigned Clerk of Spartanburg County Council, do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted by Spartanburg County Council having been read at a duly called meeting of County Council on May 13, 1981.

Witness my Hand and Seal of Spartanburg County Council this 13 day of May, 1981.

(SEAL)

Conley P. Davis  
Clerk, Spartanburg County  
Council

22223

# EXHIBIT

MAY 25 1981

NO. 1

2

STATE BUDGET & CONTROL BOARD

MORTGAGE & SECURITY AGREEMENT

SCHWEITER CORPORATION

to

THE SOUTH CAROLINA NATIONAL BANK

\$1,500,000

SPARTANBURG COUNTY, SOUTH CAROLINA

INDUSTRIAL REVENUE NOTE

SERIES 1981

(SCHWEITER CORPORATION PROJECT)

DATED AS OF JUNE 1, 1981

22224

## MORTGAGE & SECURITY AGREEMENT

This Mortgage & Security Agreement (the "Mortgage") made and entered into as of June 1, 1981 between SCHWEITER CORPORATION (the "Company"), a Delaware corporation, as mortgagor and THE SOUTH CAROLINA NATIONAL BANK (the "Mortgagee"), a national banking association, as mortgagee.

WHEREAS, the Company, Spartanburg County, South Carolina (the "County"), a political subdivision of the State of South Carolina, and the Mortgagee have entered into a Loan Agreement (the "Loan Agreement") dated as of June 1, 1981 pursuant to which the County agrees to lend to the Company the proceeds of the \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) (the "Note") dated June 16, 1981 to be issued pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), which Note has a final principal installment due on June 1, 2001; and

WHEREAS, pursuant to an Assignment of Loan Agreement dated as of June 1, 1981 the County has assigned to the Mortgagee, as security for the payment of the Note, the Pledged Amounts (as defined in the Loan Agreement) and certain rights and interests of the County in the Loan Agreement; and

WHEREAS, the Company has agreed to mortgage and grant a security interest in the Mortgaged Property, as defined herein and described in Exhibits A and B hereto, to secure



its obligations under the Loan Agreement, including its obligation to make payments (the "Loan Payments") at times and in amounts sufficient to pay when due the principal of, prepayment penalty, if any, and interest on the Note; and

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged; in consideration of the purchase and acceptance of the Note by the Mortgagee and to secure the due and punctual payment of the Loan Payments, including, without limitation, payments in amounts and at times sufficient to pay the principal of, prepayment penalty, if any, and interest on the Note and the payment of all fees and expenses and advances of the County and the Mortgagee under the Loan Agreement and this Mortgage, the Company does hereby grant, bargain, sell, convey, and warrant and assign to the Mortgagee, its successors and assigns a lien on and security interest in, and does hereby mortgage and pledge unto the Mortgagee, its successors and assigns, forever, with power of sale, the following:

I

All of its right, title and interest in and to the tracts, parcels and interests in land (the "Land") described in Exhibit A hereto and the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Land (the "Building"), including but not limited to (i) all building materials, supplies and equipment now or hereafter located on the Land and suitable

or intended to be incorporated in any building, structure, or other improvement located or to be erected on the Land, (ii) all heating, plumbing and lighting apparatus, motors, engines and machinery, electrical equipment, incinerator apparatus, air-conditioning equipment, water and gas apparatus, pipes, faucets, and all other fixtures of every description which are now or may hereafter be placed or used upon the Land or in any building or improvement now or hereafter located thereon, (iii) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to and of any and all of the foregoing and (iv) all hereditaments, easements, appurtenances, estates, and other rights and interests now or hereafter belonging to or in any way pertaining to the Land or to any building or improvement now or hereafter located thereon; and

## II

All goods, equipment, machinery and all other tangible personal property (the "Equipment") now or hereafter located in the Building or elsewhere on the Land and described in Exhibit B hereto, including but not limited to (i) the items of Equipment to be acquired, constructed or installed as part of the Project being financed by the Note and (ii) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds to and of any and all such personal property, excluding any items released or disposed of in accordance with the terms of this Mortgage.

TO HAVE AND TO HOLD the Land, the Building and the Equipment (the "Mortgaged Property"), together with all privileges, hereditaments and appurtenances thereunto now or hereafter belonging, or in anywise appertaining, and the proceeds thereof, unto the Mortgagee, its successors and assigns forever.

AND the Company does hereby bind itself and its successors to warrant and forever defend all and singular the Mortgaged Property unto the Mortgagee, its successors and assigns from and against itself, its successors and assigns and all persons lawfully claiming, or to claim the same, or any part thereof.

AND IT IS AGREED that should the Company fail to pay (subject to the right to contest as set forth in the Loan Agreement) all lawful taxes, assessments and other charges upon the said premises when the same shall first become payable as required under Section 6.3 of the Loan Agreement, the Mortgagee, its successors or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse itself under this Mortgage for the sum so paid, with interest thereon from the date of such payment at the Penalty Rate (as defined in the Loan Agreement), all as set forth in Section 6.3 of the Loan Agreement.

AND IT IS AGREED by and between the parties that the maximum principal amount to be secured by this Mortgage is hereby limited to \$1,500,000.



AND IT IS AGREED by and between the parties that upon the occurrence of any event of default under the Loan Agreement and the acceleration of the indebtedness under the Note, then the entire amount of the debt secured or intended to be secured hereby shall become due, at the option of the Mortgagee, its successors or assigns, although the period for the payment thereof may not then have expired, and the lien on the Mortgaged Property created and vested by this Mortgage may be foreclosed by proceedings in equity and the Mortgagee may become the purchaser at any foreclosure sale if the highest bidder.

AND IT IS AGREED by and between the parties that with respect to any personal property included in the Mortgaged Property, the Mortgagee, upon default, may, at its option enter upon the premises for purposes of taking possession of the same and either remove such personal property from the premises or dispose of the same on the premises in any manner authorized herein or by law. The Mortgagee may, at its option, sell or dispose of such personal property by public or private proceedings, separate from any foreclosure or sale of the real property, in accordance with the provisions of the Uniform Commercial Code in effect in South Carolina and exercise any other rights or remedies of a secured party under the said Uniform Commercial Code. Any notice of sale, lease, or other intended disposition of personal property, mailed postage prepaid to the Company at the address specified in the Loan Agreement at least five

(5) days prior to such action, shall constitute reasonable notice to the Company.

AND IT IS AGREED by and between the parties that should legal proceedings be instituted for the collection of the debt secured hereby, then in that event the Mortgagee, its successors or assigns shall have the right to have a receiver appointed of the payments, revenues and receipts related to the Mortgaged Property, who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as receiver, shall apply the residue of the said payments, revenues and receipts towards the payment of the debt secured hereby.

AND IT IS AGREED by and between the parties that should legal proceedings be instituted for the foreclosure of this Mortgage or for any purpose involving this Mortgage, or should the debt hereby secured be placed in the hands of any attorney at law for collection by suit or otherwise, that all costs and expenses incurred by the Mortgagee, including reasonable attorneys' fees, shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder.

AND IT IS AGREED by and between the parties that should the Company exercise its right to remove Equipment pursuant to Section 6.2 of the Loan Agreement or should the Company seek to have certain Land released from the lien of this Mortgage pursuant to Section 8.5 or Section 8.6 of the Loan Agreement, the Mortgagee shall, upon compliance with the terms of the applicable section or sections of the Loan

Agreement, release from the lien and security interest of this Mortgage such Equipment or Land, as the case may be.

AND IT IS FURTHER AGREED by and between the parties that if the Company directs the Mortgagee to apply the proceeds of insurance or condemnation awards in accordance with Section 7.1 or 7.2 of the Loan Agreement or if the Company is entitled to the balance of any such proceeds, the Mortgagee shall promptly apply the proceeds in the manner directed or pay over to the Company such balance.

PROVIDED ALWAYS, NEVERTHELESS, and it is the true intent and meaning of the parties to these presents, that if the Company shall well and truly pay, or cause to be paid unto the Mortgagee, its successors or assigns, the said debt or sum of money aforesaid, with interest thereon, if any shall be due, according to the true intent and meaning of the Note, then this Mortgage shall cease, determine, and be utterly null and void; otherwise it shall remain in full force and virtue.

AND IT IS LASTLY AGREED by and between the parties that the Company is to hold and enjoy the Mortgaged Property until default of payment shall be made.



IN WITNESS WHEREOF, SCHWEITER CORPORATION has caused these presents to be signed in its name and behalf by its \_\_\_\_\_, its corporate seal to be impressed hereon and the same to be attested by its \_\_\_\_\_ and THE SOUTH CAROLINA NATIONAL BANK has caused these presents to be signed in its name and behalf by its \_\_\_\_\_, its corporate seal to be impressed hereon and the same to be attested by its \_\_\_\_\_, all as of the first day of June, 1981.

SCHWEITER CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

Attest:

By \_\_\_\_\_ (SEAL)  
Its \_\_\_\_\_

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

THE SOUTH CAROLINA NATIONAL BANK

By \_\_\_\_\_  
Its \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Its \_\_\_\_\_

(SEAL)

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

22233

STATE OF SOUTH CAROLINA  
COUNTY OF SPARTANBURG

PERSONALLY appeared before me \_\_\_\_\_ who made  
oath that (s)he saw the corporate seal of SCHWEITER  
CORPORATION affixed to the foregoing Mortgage & Security  
Agreement, that (s)he also saw \_\_\_\_\_ as  
\_\_\_\_\_ and \_\_\_\_\_ as \_\_\_\_\_ of Schweiter  
Corporation sign and attest the same and that (s)he with  
\_\_\_\_\_ witnessed the execution and delivery  
thereof as the act and deed of Schweiter Corporation.

\_\_\_\_\_  
SWORN TO before me this  
\_\_\_\_ day of June, 1981.

\_\_\_\_\_(L.S.)  
Notary Public for South Carolina  
My Commission Expires: \_\_\_\_\_



STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

PERSONALLY appeared before me \_\_\_\_\_ who  
made oath that (s)he saw the corporate seal of THE SOUTH  
CAROLINA NATIONAL BANK affixed to the foregoing Mortgage &  
Security Agreement, that (s)he also saw \_\_\_\_\_  
as \_\_\_\_\_ and \_\_\_\_\_ as  
\_\_\_\_\_ of The South Carolina National  
Bank sign and attest the same and that (s)he with  
\_\_\_\_\_ witnessed the execution thereof as  
the act and deed of The South Carolina National Bank.

\_\_\_\_\_  
SWORN TO before me this  
\_\_\_\_ day of June, 1981.

\_\_\_\_\_(L.S.)  
Notary Public for South Carolina  
My Commission Expires: \_\_\_\_\_

EXHIBIT "A"

DESCRIPTION OF LAND

EXHIBIT "B"

DESCRIPTION OF EQUIPMENT



NOTE ORDINANCE

\$1,500,000

SPARTANBURG COUNTY, SOUTH CAROLINA

INDUSTRIAL REVENUE NOTE

SERIES 1981

(SCHWEITER CORPORATION PROJECT)

# EXHIBIT

MAY 25 1981 NO. 1 G

STATE BUDGET & CONTROL BOARD

NOTE ORDINANCE

\$1,500,000

SPARTANBURG COUNTY, SOUTH CAROLINA

INDUSTRIAL REVENUE NOTE

SERIES 1981

(SCHWEITER CORPORATION PROJECT)

22239

NOTE ORDINANCE

AUTHORIZING THE ISSUANCE AND DELIVERY OF A \$1,500,000 SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1981 (SCHWEITER CORPORATION PROJECT) TO FINANCE THE COST OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF LAND, BUILDINGS, MACHINERY AND EQUIPMENT AT THE INDUSTRIAL FACILITIES OF SCHWEITER CORPORATION (THE COMPANY) IN SPARTANBURG COUNTY, SOUTH CAROLINA (THE COUNTY); PROVIDING FOR THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT (THE LOAN AGREEMENT) BETWEEN THE COUNTY AND THE COMPANY AND A ASSIGNMENT OF THE LOAN AGREEMENT; PROVIDING FOR THE SECURING OF SAID NOTE; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, the County is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the Act), to acquire, own, improve, equip, lease, dispose of and mortgage properties in order to promote the industrial development of South Carolina and to develop trade by inducing industrial enterprises to locate and remain in South Carolina and thus utilize and employ manpower and other resources of South Carolina; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds or notes payable by the County solely out of Pledged Amounts (hereinafter defined); and

WHEREAS, the County has made arrangements with the Company, a Delaware corporation, for the financing of the acquisition, construction and installation of land, buildings, machinery and equipment (the Project) to constitute a textile machinery assembly facility in the County; and

WHEREAS, the County proposes to enter into the Loan Agreement with the Company specifying the terms and



conditions of the lending of the proceeds of the Note by the County to the Company; and

WHEREAS, it has been determined that the amount now required to finance the cost of the acquisition, construction and installation of the Project, including necessary expenses incidental thereto, will require the issuance and delivery of a note designated SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1981 (SCHWEITER CORPORATION PROJECT) in the principal amount of \$1,500,000; and

WHEREAS, 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 Ordinance.

NOW, THEREFORE, BE IT ORDAINED by Spartanburg County Council, in meeting duly assembled:

#### ARTICLE I

#### DEFINITIONS

SECTION 101. The terms defined in this Section 101 (except as herein otherwise expressly provided for or unless the context otherwise requires) for all purposes of this Note Ordinance and of any ordinance supplemental or amendatory hereto shall have the respective meanings specified in this Section 101.

"ACT" means Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended.

"ASSIGNMENT" means the Assignment of Loan Agreement dated as of June 1, 1981 from the County to the Mortgagee.

"CLERK" means the Clerk of the County Board and shall include the Assistant or Acting Clerk whenever, by reason of absence, illness or other reason, the person who is the Clerk is unable to act.

"COMPANY" means Schweiter Corporation, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and any surviving, resulting or transferee corporation.

"CONSTRUCTION FUND" means the fund created pursuant to Section 501 of this Note Ordinance.

"COUNTY" means Spartanburg County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

"COUNTY ADMINISTRATOR" means the chief administrative officer of the County Board and shall include the Acting County Administrator, whenever, by reason of absence, illness, or other reason, the person who is the County Administrator is unable to act.

"COUNTY BOARD" means Spartanburg County Council and any successor body.

"DEPOSITARY" means The South Carolina National Bank as custodian of the Construction Fund.

"LOAN AGREEMENT" means the Loan Agreement dated as of June 1, 1981 among the County, the Company and the Mortgagee and any amendments or supplements thereto.

"MORTGAGE" means the Mortgage & Security Agreement dated as of June 1, 1981 given by the Company to the Mortgagee pursuant to which the Project is mortgaged as

security for the payment of principal of, prepayment penalty, if any, and interest on the Note.

"MORTGAGEE" means The South Carolina National Bank, as the holder of Mortgage, and its successors and assigns.

"NOTE" means the \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter Corporation Project) of the County, secured by the Mortgage and by the Assignment and the proceeds of which will be used to finance all phases of the acquisition, construction and installation of the Project.

"NOTE ORDINANCE" means this Note Ordinance adopted by the County Board, as the same may be amended or supplemented from time to time in accordance with the terms hereof, authorizing the issuance and delivery of the Note and providing for the terms and provisions of the Note.

"PLEDGED AMOUNTS" means all of the amounts due and payable under the Loan Agreement from time to time by the Company (excepting only amounts payable pursuant to Section 6.3 thereof and, to the extent payable to the County, amounts payable pursuant to Section 8.7 or 10.4 thereof).

"PRIME RATE" means the rate publicly announced from time to time by The South Carolina National Bank as its prime lending rate for domestic commercial loans at its principal office, as in effect from time to time.

"PROJECT" means the land, buildings, machinery and equipment the acquisition, construction and installation of which is being financed with the proceeds of the Note.



## ARTICLE II

### THE NOTE

SECTION 201. RESTRICTION ON ISSUANCE OF THE NOTE. No Note may be issued under the provisions of this Note Ordinance except in accordance with this Article. The total principal amount of the Note that may be outstanding hereunder is hereby limited to \$1,500,000.

SECTION 202. ISSUANCE AND DELIVERY OF THE NOTE. The Note in the principal amount of \$1,500,000 dated the date of the delivery thereof and designated SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1981 (SCHWEITER CORPORATION PROJECT) shall be issued. The Note shall be numbered R-1 and shall be payable in eighty (80) successive equal quarter annual principal installments of \$18,750 each, on September 1, 1981 and on each December 1, March 1, June 1 and September 1 thereafter, to and including June 1, 2001. The Note shall bear interest from the date of its delivery until due on the unpaid principal amount outstanding from time to time at a rate equal to 63% of the Prime Rate, such interest being payable on the same dates as are the principal installments. If any installment of principal and interest is not paid on or before its due date, such unpaid installment shall bear interest from its due date until fully paid at the Penalty Rate (as defined in the Loan Agreement). If a Determination of Taxability (as defined in the Loan Agreement) shall be made, then the rate of interest on the Note shall be adjusted to a rate which

after making provision for the payment of federal income taxes at the maximum statutory tax rate applicable to the Mortgagee will produce to the Mortgagee an amount equivalent to the yield on a tax exempt obligation bearing interest at a rate equal to 63% of the Prime Rate, effective and commencing with the day immediately succeeding the date upon which notification is given by the Mortgagee to the Company and the County that a Determination of Taxability has been made. During such time as interest on the Note is exempt from federal income taxes, in the event the maximum federal marginal income tax rate for corporations - currently 46% -shall change, then for each one (1) percentage point of increase in such tax rate the interest rate on the Note shall decrease by fourteen one-hundredths (.14) of a percentage point, and conversely, for each one (1) percentage point of decrease in such tax rate, the interest rate on the Note shall increase by fourteen one-hundredths (.14) of a percentage point.

Payments of principal, prepayment penalty, if any, and interest made in respect of the Note shall be made at the times set forth above to the Mortgagee in Federal or other immediately available funds at the principal office of the Mortgagee in the City of Columbia, State of South Carolina, or at such other office of the Mortgagee as the Mortgagee shall specify in writing. The Mortgagee shall keep a record of all such payments.

SECTION 203. EXECUTION; LIMITED OBLIGATION. The Note shall be executed on behalf of the County by the County

Administrator, the corporate seal of the County shall be impressed thereon and the same shall be attested by the Clerk. The execution of the Note in such manner shall be conclusive evidence of the due execution thereof in accordance with this Note Ordinance.

In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note, including the principal and interest payable thereunder, shall be a limited obligation of the County payable by the County solely from the Pledged Amounts. The Note does not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

SECTION 204. FORM OF NOTE. The Note shall be substantially in the form set forth in Exhibit A attached hereto with such appropriate variations, omissions and insertions as are permitted or required by this Note Ordinance.

SECTION 205. DELIVERY OF THE NOTE. The County shall execute and deliver to the Mortgagee or a representative of the Mortgagee the Note in the principal amount of \$1,500,000.

22246



ARTICLE III

PREPAYMENT OF NOTE

SECTION 301. NOTE PREPAYABLE AT OPTION OF THE COUNTY.

Except as noted below, the County shall have the right at any time and from time to time to prepay the Note in whole or in part at prepayment penalties expressed as percentages of the principal amount being prepaid set forth in the table below, plus interest accrued to the date of prepayment:

<u>Payment Dates</u>	<u>Prepayment Penalties</u>
June 1, 1981 through May 31, 1982	5 %
June 1, 1982 through May 31, 1983	4-1/2 %
June 1, 1983 through May 31, 1984	4 %
June 1, 1984 through May 31, 1985	3-1/2 %
June 1, 1985 through May 31, 1986	3 %
June 1, 1986 through May 31, 1987	2-1/2 %
June 1, 1987 through May 31, 1988	2 %
June 1, 1988 through May 31, 1989	1-1/2 %
June 1, 1989 through May 31, 1990	1 %
June 1, 1990 and thereafter	1/2 %

If prepayment of the Note is made pursuant to Sections 3.1, 4.5, 6.2, 7.1, 7.2, 10.2 or 11.2 of the Loan Agreement, such prepayment may be effected at par without any premium or penalty.

All prepayments shall be applied first against any accrued and unpaid interest and then against the principal installments on the Note in the inverse order of maturity.

SECTION 302. NOTICE OF PREPAYMENT. In the event the Note, or any portion thereof, is to be prepaid, the County, or the Company on behalf of the County, shall give written notice of its intention to effect such prepayment to the Mortgagee at its address as established by Section 12.1 of

the Loan Agreement at least ten (10) days prior to the date of prepayment.

ARTICLE IV

LOAN AGREEMENT, ASSIGNMENT  
AND CLOSING DOCUMENTS

SECTION 401. AUTHORIZATION OF THE LOAN AGREEMENT, THE ASSIGNMENT AND THE NOTE. The County Administrator and the Clerk are hereby authorized and directed to execute, seal and deliver, on behalf of the County, the Loan Agreement, the Assignment and the Note, each in the form presented to the County Board. The County Administrator and the Clerk, however, are hereby authorized, prior to execution and delivery of the Loan Agreement, the Assignment and the Note to make such changes or modifications in the form of any of such documents as may be required or deemed appropriate by them in order to accomplish the purposes of the transactions authorized by this Note Ordinance. The execution and delivery of the Loan Agreement, the Assignment and the Note by the County Administrator and the Clerk shall be conclusive evidence of their approval to any changes or modifications in the form of such documents, which documents shall thereupon become binding upon and enforceable against the County in accordance with their terms.

SECTION 402. CLOSING DOCUMENTS. The County Administrator and the Clerk are fully empowered and authorized to take such further action and to execute and deliver such closing documents (including the making of an

election to have the provisions of Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, applied to the Note) as may be reasonably requested by the Mortgagee 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, she or they shall approve, is hereby authorized.

SECTION 403. CONDITION OF COUNTY'S OBLIGATION; PAYMENT OF PRINCIPAL AND INTEREST. Each and every covenant herein made, including all covenants contained in the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge against its general credit or taxing powers, but shall be payable solely from the Pledged Amounts, which Pledged Amounts are to be specifically pledged to the payment of the Note in the manner and to the extent in this Note Ordinance and in the Assignment specified, and nothing in the Note or in this Note Ordinance shall be considered as pledging any other funds or assets of the County.

Subject to the foregoing, the County covenants that it will promptly pay the principal of, prepayment penalty, if any, and interest on the Note at the place, on the dates and in the manner provided herein and in the Note according to the terms hereof and thereof.



SECTION 404. PERFORMANCE OF COVENANTS; AUTHORITY OF COUNTY. The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Ordinance, the Note, the Loan Agreement, the Assignment and in all proceedings pertaining thereto. The County represents and warrants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue and deliver the Note authorized hereby, to execute and deliver the Loan Agreement and the Assignment and to pledge the Pledged Amounts in the manner and to the extent set forth herein and in the Assignment; that all actions on its part for the issuance and delivery of the Note and the execution and delivery of the Loan Agreement and the Assignment 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 Mortgagee and the Loan Agreement and the Assignment will be the legal, valid and binding obligations of the County, enforceable in accordance with their respective terms.

SECTION 405. INSTRUMENTS OF FURTHER ASSURANCE. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts or instruments as may be reasonably required by the Mortgagee for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Mortgagee the Pledged Amounts to the

SECTION 404. PERFORMANCE OF COVENANTS; AUTHORITY OF COUNTY. The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Ordinance, the Note, the Loan Agreement, the Assignment and in all proceedings pertaining thereto. The County represents and warrants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue and deliver the Note authorized hereby, to execute and deliver the Loan Agreement and the Assignment and to pledge the Pledged Amounts in the manner and to the extent set forth herein and in the Assignment; that all actions on its part for the issuance and delivery of the Note and the execution and delivery of the Loan Agreement and the Assignment 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 Mortgagee and the Loan Agreement and the Assignment will be the legal, valid and binding obligations of the County, enforceable in accordance with their respective terms.

SECTION 405. INSTRUMENTS OF FURTHER ASSURANCE. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts or instruments as may be reasonably required by the Mortgagee for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Mortgagee the Pledged Amounts to the

payment of the principal of, prepayment penalty, if any, and interest on the Note.

SECTION 406. ASSIGNMENT OF THE LOAN AGREEMENT. The County covenants and agrees that, except as herein provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Pledged Amounts.

#### ARTICLE V

##### CUSTODY AND APPLICATION OF PROCEEDS OF THE NOTE

SECTION 501. CONSTRUCTION FUND; DISBURSEMENTS. There is hereby created and established with the Depositary a trust fund to bear the designation "Spartanburg County (Schweiter Corporation Project) Industrial Construction Fund". All of the proceeds of the issuance and delivery of the Note shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be expended for the cost of the acquisition, construction and installation of the Project in accordance with the provisions of the Loan Agreement and particularly Section 4.3 thereof.

The Depositary is hereby authorized and directed to make payments out of the Construction Fund in accordance with Article IV of the Loan Agreement.

The Depositary shall keep and maintain records pertaining to the investment of moneys in the Construction Fund and all disbursements therefrom, and after the Company shall have certified that the Project has been completed as provided in Section 4.5 of the Loan Agreement, the Depositary shall, if required by the Company, file copies of



such records thereof with the County, with the Mortgagee and with the Company.

#### ARTICLE VI

#### MISCELLANEOUS

SECTION 601. SEVERABILITY. If any provision of this Note Ordinance shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case or jurisdiction because it conflicts with any other provision or provisions hereof or any constitution, statute, 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 jurisdiction, or of rendering any other provision herein contained invalid, inoperative or unenforceable to any extent whatsoever.

The invalidity or unenforceability of any phrase, sentence, clause or section contained in this Note Ordinance shall not affect any remaining portion of this Note Ordinance.

SECTION 602. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. If any payment of principal of or interest on the Note falls due on a Saturday, Sunday or public holiday at the place of payment thereof, then such due date shall be extended to the next succeeding full business day at such place, and interest shall be payable in respect of such extension.

SECTION 603. NOTE ORDINANCE CONSTITUTES CONTRACT. In consideration of the purchase and acceptance of the Note by

the Mortgagee, this Note Ordinance shall for all purposes be deemed to be and shall constitute a contract between the County and the Mortgagee, but shall not be modified or amended without in each instance the prior written consent of the Company.

SECTION 604. COUNTERPARTS. This Note Ordinance shall be executed by the County Board in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 605. EFFECTIVE DATE OF NOTE ORDINANCE. This Note Ordinance shall take effect immediately upon third reading of the County Board.

# EXHIBIT

MAY 25 1981

NO. 1

1

STATE BUDGET & CONTROL BOARD

LOAN AGREEMENT

AMONG

SPARTANBURG COUNTY, SOUTH CAROLINA,

SCHWEITER CORPORATION

AND

THE SOUTH CAROLINA NATIONAL BANK

\$1,500,000

SPARTANBURG COUNTY, SOUTH CAROLINA

INDUSTRIAL REVENUE NOTE

SERIES 1981

(SCHWEITER CORPORATION PROJECT)

DATED AS OF JUNE 1, 1981

22254



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EXHIBIT A DESCRIPTION OF LAND

EXHIBIT B DESCRIPTION OF EQUIPMENT

ASSIGNMENT OF LOAN AGREEMENT

CONSENT TO ASSIGNMENT OF LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of June 1, 1981 among SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its County Council (the County Board) as the governing body of Spartanburg County, South Carolina, party of the first part, SCHWEITER CORPORATION, a corporation organized and existing under the laws of the State of Delaware, party of the second part, and THE SOUTH CAROLINA NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, party of the third part,

W I T N E S S E T H:

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided, that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or charge upon its general credit or taxing powers but shall be payable solely out of the proceeds derived from this Agreement, the issuance of the Note referred to in Section 1.2 hereof and the insurance proceeds, proceeds from property released in accordance with Section 6.2 hereof, and condemnation awards as herein provided):

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

SECTION 1.1. Certain terms used in this Loan Agreement are defined herein. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

SECTION 1.2. The following terms are defined terms under this Loan Agreement:

"ACT" means Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended.

"AGREEMENT" or "LOAN AGREEMENT" means this Loan Agreement among the County, the Company and the Mortgagee as the same may be amended from time to time in accordance with the provisions hereof.

"ASSIGNMENT" means the Assignment of Loan Agreement dated as of June 1, 1981 from the County to the Mortgagee.

"AUTHORIZED COMPANY REPRESENTATIVE" means the person at the time designated to act in behalf of the Company by written certificate furnished to the County and the Mortgagee containing the specimen signature of such person and signed on behalf of the Company by its President or any Vice President. Such certificate may designate one or more alternate representatives.

"BUILDING" means those structures, improvements and fixtures which have been or are to be constructed with the proceeds of the Note, now or hereafter located on the Land,



as they may at any time exist, including any air conditioning and heating systems (and any replacements thereof), all of which shall be deemed fixtures.

"CLERK" means the Clerk of the County Board and shall include the Assistant or Acting Clerk whenever, by reason of absence, illness or other reason, the person who is the Clerk is unable to act.

"CODE" means the Internal Revenue Code of 1954, as amended.

"COMPANY" means Schweiter Corporation, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and any surviving, resulting or transferee corporation.

"COMPLETION DATE" means the date of completion of the construction of the Building and the acquisition and installation of the Equipment as that date shall be certified as provided in Section 4.5 hereof.

"CONSTRUCTION FUND" means the Construction Fund created in accordance with the provisions of Section 4.3 hereof.

"CONSTRUCTION PERIOD" means the period between the beginning of construction or the date on which the Note is delivered to the Mortgagee (whichever is earlier) and the Completion Date.

"COUNTY" means Spartanburg County, South Carolina, and its successors and assigns.

"COUNTY ADMINISTRATOR" means the chief administrative officer of the County Board and shall include the Acting County Administrator whenever, by reason of absence, illness

or other reason, the person who is the County Administrator is unable to act.

"COUNTY BOARD" means Spartanburg County Council and any successor body.

"DEPOSITARY" means The South Carolina National Bank as custodian of the Construction Fund and its successors and assigns.

"EQUIPMENT" means those items of machinery, equipment and related property required herein to be acquired and installed in the Building or elsewhere on the Land and any item of machinery, equipment or related property acquired and installed in substitution therefor or acquired and installed as renewals and replacements thereof pursuant to the provisions of Sections 4.1(B), 6.1, 6.2(A), 7.1 and 7.2 hereof. The Equipment is more particularly described in Exhibit "B" attached hereto which, by this reference thereto, is incorporated herein.

"INDEPENDENT COUNSEL" means an attorney duly admitted to practice law before the highest court of any state and not a full-time employee of the County or the Company.

"INDEPENDENT ENGINEER" means a licensed architect or an engineer or engineering firm registered and qualified to practice the profession of engineering or architecture under the laws of the State of South Carolina and who or which is not a full-time employee of the County or the Company.

"LAND" means the real property required herein to be acquired with the proceeds of the Note including the interests therein and the easements appertaining thereto

which Land is more particularly described in Exhibit "A" attached hereto which, by this reference thereto, is incorporated herein.

"LICENSED ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of the State of South Carolina.

"LOAN TERM" means the duration of this Agreement as specified in Section 5.1 hereof.

"MORTGAGE" means the Mortgage & Security Agreement given by the Company to The South Carolina National Bank, as Mortgagee, of even date herewith, pursuant to which the Project is mortgaged as security for the payment of principal of, prepayment penalty, if any, and interest on the Note.

"MORTGAGEE" means The South Carolina National Bank, as holder of the Mortgage, and its successors and assigns.

"NET NOTE PROCEEDS" means the proceeds received by the County from the sale of the Note exclusive of accrued interest and expenses incurred in the issuance of such Note.

"NET PROCEEDS", when used with respect to any insurance proceeds or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used plus interest or earnings thereon remaining after payment of all expenses (including attorneys' fees and any other collection expenses) incurred in the collection of such gross proceeds.

"NOTE" means the \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1981 (Schweiter



Corporation Project) of the County, secured by the Assignment and the Mortgage, the proceeds of which will be used to finance the cost of the acquisition, construction and installation of the Project.

"NOTE ORDINANCE" means the ordinance adopted on June 10, 1981 by the County Board, as the same may be amended or supplemented from time to time in accordance with the terms thereof, authorizing the issuance and delivery of the Note and providing for the terms and provisions of the Note.

"PENALTY RATE" means interest at a rate equal to one per centum (1%) per annum plus the Prime Rate or the highest rate permitted by law, whichever is less.

"PERMITTED ENCUMBRANCES" means, as of any particular time, (1) liens for ad valorem taxes not then delinquent, (2) this Agreement and the Mortgage, (3) utility, access and other easements and rights of way and flood rights, encroachments and leases that a Licensed Engineer and the Authorized Company Representative certify will not interfere with or impair the operations being conducted in the Building (or, if no operations are being conducted therein, the operations for which the Building was designed or last modified), (4) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of an Independent Counsel acceptable to the Mortgagee and to the Authorized Company Representative, materially impair the

suitability of the property affected thereby for the purpose for which it was acquired or is held by the County, and (5) mechanics' and materialmen's liens not filed or perfected in the manner prescribed by Title 29, Chapter 5, Code of Laws of South Carolina, 1976, as now or hereafter amended, other than mechanics' or materialmen's liens which, when so filed and perfected, would assume a priority over the lien of the Mortgage.

"PLEDGED AMOUNTS" means all of the amounts due and payable hereunder from time to time by the Company (excepting only amounts payable pursuant to Section 6.3 hereof and, to the extent payable to the County, amounts payable pursuant to Section 8.7 or 10.4 hereof).

"PRIME RATE" means the rate publicly announced from time to time by The South Carolina National Bank as its prime lending rate for domestic commercial loans at its principal office, as in effect from time to time.

"PROJECT" means the Land, the Building and the Equipment.

"QUALIFIED PROPERTY" means land or property of a character subject to the allowance for depreciation as prescribed in Section 103(b)(6)(A) of the Code.

SECTION 1.3. The words "hereof," "herein," "hereunder" and other words of similar import refer to this Loan Agreement as a whole.

SECTION 1.4. References to Articles, Sections, and other subdivisions of this Agreement are to the designated

Articles, Sections, and other subdivisions of this Agreement as originally executed.

SECTION 1.5. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.



ARTICLE II  
REPRESENTATIONS

SECTION 2.1. Representations by the County. The County makes the following representations as the basis for the undertaking on its part herein contained:

(A) The County is a body politic and corporate and a political subdivision of the State of South Carolina and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Act. By proper action by the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Agreement and to issue and deliver the Note.

(B) The County Board has taken all action and has complied with all provisions of law with respect to the execution and delivery of this Agreement, the performance of its obligations hereunder and the due authorization of the consummation of the transactions contemplated hereby, and this Agreement has been duly executed and delivered by, and constitutes a legal, valid and binding agreement of, the County, enforceable in accordance with its terms.

(C) Heretofore, and before the acquisition, construction and installation of the Project were commenced, the County Board and the Company did agree that the County would finance the cost of acquiring, constructing and installing the Project at the Company's industrial facility

in the County. The Company has estimated that the cost of the Project which it must finance with borrowed money will amount to \$1,500,000, and the Company has agreed that it will bear all expenses in excess of the amount of the proceeds derived from the sale of the Note. On that basis the County now proposes to issue the Note in the aggregate principal amount of \$1,500,000 dated June 16, 1981 which will mature and bear interest, and will be subject to prepayment on the occasions and under the conditions, as provided in the Note and the Note Ordinance, in order to finance costs incurred in acquiring, constructing and installing the Project.

(D) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement do not and will not conflict with or constitute on the part of the County a violation of, breach of or default under any constitutional provision or statute or any agreement or instrument to which the County is a party or by which it is bound, or any order, rule, regulation or ordinance of any court, government or governmental authority having jurisdiction over the County or any of its activities or property; and all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the consummation of the transactions contemplated in this Agreement have been obtained.

SECTION 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertaking on its part herein contained:

(A) The Company is a corporation duly incorporated under the laws of the State of Delaware, is in good standing under its corporate charter, its bylaws and the laws of the State of Delaware and the State of South Carolina and has the power to enter into, and perform the transactions contemplated by, this Agreement.

(B) By proper corporate action, the Company has duly authorized the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and this Agreement has been duly executed and delivered by, and constitutes the legal, valid and binding agreement of, the Company, enforceable in accordance with its terms.

(C) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement do not and will not conflict with or constitute on the part of the Company a violation of, a breach of or default under any of the terms, conditions or provisions of its corporate charter or its bylaws or any agreement or instrument to which the Company is now a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is now a party or by which it is bound and do not



and will not violate any provision of law or regulation applicable to the Company or any writ, decree or order of any court, government or governmental authority having jurisdiction over the Company or any of its activities or property.

(D) Relying upon the agreement of the County to finance the cost of acquiring, constructing and installing the Project as aforesaid, the Company has proceeded with the acquisition, construction and installation thereof.

(E) This Agreement is the method employed by the Company in financing the acquisition, construction and installation of the Project and in effecting the payment of the Note.

(F) Substantially all (as that term is used in Section 103(b)(6)(A) of the Code and the Treasury Regulations issued or proposed thereunder) of the Net Note Proceeds will be used to acquire, construct or install Qualified Property and all of the Net Note Proceeds will be used to defray the costs incurred in connection with acquisition, construction and installation of the Project, and the Company will not commit or, as to any act over which it has control, suffer to be committed any act which results in the loss of the tax exempt status of the interest on the Note under Section 103 of the Code and the Treasury Regulations issued or proposed thereunder as they exist on the applicable date.

(G) There has been no material adverse change in the financial condition of the Company since December 31, 1980, and the Company is not a party to any suit, action or

proceeding which, if determined adversely to the Company,  
would have a material adverse effect on the Company's  
financial condition.

ARTICLE III

TITLE INSURANCE

SECTION 3.1. Title Insurance. At the time of the delivery of the Note, the Company will provide a Mortgagee Title Insurance Policy (or an appropriate Binder) upon the Land and the Building issued by a company approved by the Mortgagee insuring the marketability of the title to the Land and the lien of the Mortgage upon the Land and Building, when completed, satisfactory in form and substance to the Mortgagee and subject to no encumbrances other than Permitted Encumbrances, in the amount of \$1,500,000. Any Net Proceeds therefrom shall be paid to the Company and to the Mortgagee and shall, at the election of the Mortgagee, be paid to the Mortgagee and applied first against any accrued and unpaid interest and then against the principal installments on the Note in the inverse order of maturity or, if the Mortgagee shall not so elect, to the Company.

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ARTICLE IV

COMPLETION OF THE PROJECT; ISSUANCE AND DELIVERY  
OF THE NOTE; CONSTRUCTION FUND

SECTION 4.1. Agreement to Construct the Building and Acquire and Install the Equipment on the Land. (A) The Company agrees that it:

(1) will cause the Building to be constructed on the Land, wholly within the boundary lines thereof, and will cause to be acquired, constructed and installed such other facilities on the Land as it deems necessary for the operation of the Project; and

(2) will cause the Equipment to be acquired and installed in the Building or elsewhere on the Land which Equipment shall consist of the machinery, equipment and related property described in the general list thereof in Exhibit "B" and such other items of machinery, equipment and any transportation facility and equipment used as an integral part of the Project, which in the Company's judgment may be necessary for operation of the Project.

(B) The Company agrees to complete the construction of the Building and the acquisition and installation of the Equipment as promptly as practicable after receipt of the proceeds derived from the sale of the Note, but in no event later than June 16, 1984.

SECTION 4.2. Agreement to Issue and Deliver the Note; Application of Note Proceeds. In order to provide funds for payment of the costs of the Project, the County agrees that

it will execute, sell and deliver the Note and cause it to be delivered to the Mortgagee and it will thereupon deposit in the Construction Fund the proceeds received from said sale.

SECTION 4.3. Establishment of Construction Fund; Disbursements from the Construction Fund. (A) Not later than the occasion of the delivery of the Note, the County shall establish the Construction Fund with the Depositary. Withdrawals from the Construction Fund shall be made only upon the signature of the Authorized Company Representative. The moneys in the Construction Fund shall be used for the following purposes (and, subject to the provisions of this Section and Section 4.9 hereof, for no other purposes):

(1) payment of the fees for recording any deed whereby the Land is conveyed to the Company, the Mortgage and any title curative documents that either the Mortgagee, the Company or Independent Counsel may deem desirable to file for record in order to perfect or protect the title of the Company to the Land or to perfect or protect the lien and security interest of the Mortgagee in the Project; and payment of the fees and expenses in connection with any actions or proceedings that either the Mortgagee, the Company or Independent Counsel may deem desirable to bring in order to perfect or protect the title of the Company to the Land or to perfect or protect the lien and security interest of the Mortgagee in the Project;

(2) payment to the Company and the County, as the case may be, of such amounts, if any, as shall be necessary to reimburse the Company and the County in full for advances and payments made by them or either of them prior to or after the delivery of the Note for expenditures subsequent to December 17, 1980, in connection with (a) the acquisition or perfection by the Company of title to the Land or appurtenant easements, the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof) and (b) the clearing of the Land, the construction of the Building, the acquisition and installation of the Equipment, all acquisition, construction and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering and supervisory services with respect to any of the foregoing);

(3) payment of the cost of title insurance, legal, financing and accounting fees and expenses and printing and engraving costs, if any, incurred in connection with the credit analysis of the Company, the authorization, issuance and delivery of the Note, the preparation of this Agreement, the Mortgage and all other documents in connection herewith and therewith



and in connection with the acquisition of title to the Land and Building;

(4) payment for labor, services, materials and supplies used or furnished in site improvement and in the construction of the Building, payment for all costs incident to the acquisition and installation of the Equipment, payment for the cost of the acquisition, construction and installation of utility services or other facilities, and all real and personal property deemed necessary in connection with the Project and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond;

(5) payment of the fees, or out-of-pocket expenses, if any, for architectural, engineering and supervisory services with respect to the Project;

(6) to such extent as they shall not be paid by a contractor for any part of the Project, payment of the premium on all insurance required to be taken out and maintained during the Construction Period under this Agreement, or reimbursement thereof if paid by the Company;

(7) payment of the taxes, assessments and other charges, if any, referred to in Section 6.3 hereof that may become payable during the Construction Period;

(8) payment of expenses incurred in seeking to enforce any remedy against any contractor or

subcontractor in respect of any default under a contract relating to the Project; and

(9) payment of any other costs and expenses relating to the Project including interest paid during the Construction Period.

(B) Any payment made pursuant to items (1) to (9), inclusive, of subsection (A) of this Section shall be made within five (5) business days of receipt by the Depositary of a written order by the Authorized Company Representative which shall certify with respect to each such payment that:

(1) payment for any of the items for which the payment is proposed to be made has not theretofore been made from the Construction Fund;

(2) each item for which the payment is proposed to be made was incurred in connection with the Project as specified in such preceding subsections;

(3) such order does not include any item or amount the payment of which will result in less than substantially all (as that term is used in Section 103 (b)(6)(A) of the Code and the Treasury Regulations issued or proposed thereunder) of the Net Note Proceeds expended up to and including such time being used to acquire, construct or install Qualified Property; and

(4) there exists no default under this Agreement, the Mortgage or any other agreement associated herewith or therewith.

(C) In the case of any contract providing for retention by the Company of a portion of the contract price,

there shall be paid from the Construction Fund only the net amount remaining after deduction of any such portion.

(D) All moneys remaining in the Construction Fund after the Completion Date and after payment in full of the costs of the Project (or after making provision for the payment thereof) shall at the direction of the Company be used in accordance with the provisions of Section 4.5 hereof.

SECTION 4.4. Depositary May Rely on Order of Authorized Representative. The Depositary may honor withdrawals upon the signature of the Authorized Company Representative and shall have no further liability with respect to payments made in accordance with such order.

SECTION 4.5. Establishment of Completion Date; Disposition of Moneys Remaining in the Construction Fund.

(A) Completion of the Project shall be evidenced to the Depositary, the Mortgagee and the County Board by a certificate signed by the Authorized Company Representative stating:

(1) that the Project has been acquired, constructed and installed substantially in accordance with the specifications therefor and all costs and expenses for labor, services, materials and supplies used in connection therewith have been paid;

(2) that all facilities necessary in connection with the Project have been acquired, constructed and installed substantially in accordance with the



specifications therefor, and all costs and expenses incurred in connection therewith have been paid; and

(3) the percentage of the Net Note Proceeds that, as of the Completion Date, has been used by the Company or at the Company's direction to acquire, construct or install Qualified Property, taking into account amounts retained by the Depositary at the Company's direction for payments not then due and payable, or the liability for which is being contested in good faith by the Company; and, additionally, if such percentage is less than 90%, the percentage of the actual amount of the Net Note Proceeds expended that has been so used.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any right against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Company to cause the certificate contemplated by this Section 4.5 to be furnished as soon as practicable after the Project shall have been completed.

(B) If the certificate of the Authorized Company Representative states that 90% or more of the Net Note Proceeds has been used to acquire, construct or install Qualified Property, then any moneys (including investment earnings) remaining in the Construction Fund on the date of such certificate and not retained for the payment of the costs of the Project shall be used, at the direction of the Authorized Company Representative, for one or more of the following purposes:

(1) for the prepayment of all or part of the principal of, prepayment penalty, if any, and interest on the Note in accordance with its terms and the terms of Section 301 of the Note Ordinance;

(2) for the payment of qualifying costs of any additional Qualified Property; or

(3) for any other purpose, provided that the Depositary, the Mortgagee and the County Board are furnished with the opinion of nationally recognized municipal bond counsel mutually acceptable to the Company, the Depositary, the Mortgagee and the County Board to the effect that such use is lawful under the Act and does not adversely affect the exemption from federal income taxes of interest on the Note.

(C) If the certificate of the Authorized Company Representative with respect to Section 4.5(A)(3) hereof states that less than 90% of the Net Note Proceeds has been used to acquire, construct or install Qualified Property but that 90% or more of the actual amount of the Net Note Proceeds expended has been used to acquire, construct or install Qualified Property, then all moneys (including investment earnings) remaining in the Construction Fund on the date of the aforesaid certificate and not retained for the payment of the costs of the Project shall on such date be deposited by the Depositary in a separate escrow account and used for the prepayment of all or part of the principal of the Note in accordance with its terms and the terms of Section 301 of the Note Ordinance at the earliest possible

date; provided that, until so used such moneys may also be used, at the direction of the Authorized Company Representative, for one or more of the following purposes:

(1) for the payment of qualifying costs of any additional Qualified Property; or

(2) for any other purpose;

provided that, no moneys on deposit in such escrow account may be used for the purposes specified in items (1) or (2) of this subsection (C) unless and until the Depositary, the Mortgagee and the County Board have been furnished with the opinion of nationally recognized municipal bond counsel mutually acceptable to the Company, the Depositary, the Mortgagee and the County Board to the effect that such use is lawful under the Act and does not adversely affect the exemption from federal income taxes of interest on the Note; and provided further that, until used for one or more of the foregoing purposes, moneys on deposit in such escrow account may be invested in investments authorized by the first paragraph of Section 4.9 of this Agreement, but may not be invested to produce a yield on such moneys (computed from the Completion Date and taking into account any investment of such moneys during the period from the Completion Date until such moneys were deposited in such escrow account) greater than the yield on the Note from which such proceeds were derived, all as such terms are used in and determined in accordance with Section 103(c) of the Code and the Treasury Regulations issued or proposed thereunder.



SECTION 4.6. Company Required to Pay Project Costs in Event Construction Fund Insufficient. In the event the moneys in the Construction Fund available for payment of the costs of the Project shall not be sufficient to pay the costs thereof in full, the Company agrees to complete the acquisition, construction and installation of the Project free of all liens and encumbrances (other than Permitted Encumbrances) and to pay all that portion of the costs of the Project as may be in excess of the moneys in the Construction Fund. The County does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Company agrees that if after exhaustion of the moneys in the Construction Fund the Company should pay any portion of the said costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the County or from the Mortgagee, nor shall it be entitled to any postponement, abatement or diminution of the amounts payable under Section 5.3 hereof. The obligation of the Company to complete the Project shall survive any termination of this Agreement.

SECTION 4.7. Authorized Company Representative and Successors. The Company shall designate, in the manner prescribed in Section 1.2, the Authorized Company Representative. In the event that any person so designated hereunder

and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

SECTION 4.8. Enforcement of Remedies Against Contractors and Subcontractors and Their Sureties. The Company covenants that it will take such action and institute such proceedings as shall be determined by the Company to be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by Company in connection with the performance of its obligations under this Section 4.8 to be considered part of the Project costs referred to in Section 4.3(A)(8) and to insure the construction of the Project in accordance with the terms of such construction contracts, the installation of machinery and equipment in accordance with any applicable contract pertaining thereto and the peaceable and quiet enjoyment of the Project for the Loan Term, and the County agrees that the Company may take such action as may be necessary or advisable, as determined by the Company, to insure the performance by the County of all covenants and obligations of the County under this Agreement, with all costs and expenses incurred by the Company in connection therewith to be considered as part of the Project costs referred to in Section 4.3(A)(8).

SECTION 4.9. Investment of Construction Fund Moneys Permitted - Limitation on Investments. (A) Any moneys held as a part of the Construction Fund and not required for immediate disbursement and withdrawal shall at the direction of the Authorized Company Representative (which direction may be oral, but, if oral, shall be confirmed in writing) be invested or reinvested by the Depository for the account of the Company in: direct obligations of, or obligations guaranteed by, the United States of America, or obligations of the Federal National Mortgage Association, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Government National Mortgage Association, Export-Import Bank of the United States, United States Postal Service, Tennessee Valley Authority or any other agency or corporation which is or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof; or direct obligations of, or obligations guaranteed by, any state of the United States that are rated as investment grade securities by either Moody's Investors Service, Inc. or Standard & Poor's Corporation; or Public Housing Bonds, or Project Notes, fully secured by contracts with the United States; or commercial or corporate or finance company paper rated Prime-1 by Moody's Investors Service, Inc., or A-1 by Standard & Poor's Corporation; or negotiable or non-negotiable certificates of deposit or bankers acceptances issued by the Depository, or by any bank, trust



company or national banking association which is a member of the Federal Reserve System and which has a capital stock and undivided profits aggregating at least \$25,000,000.

(B) The Company further covenants and agrees that:

(1) it will not and it will not direct the Depositary to make investments which cause the Note to be an "arbitrage bond" within the meaning of Section 103(c)(2) of the Code and the applicable Treasury Regulations issued or proposed thereunder; and

(2) it will furnish to the County accurate information necessary to enable the appropriate County officers and bond counsel to make any certifications which might be required under the applicable Treasury Regulations under Section 103(c)(2) of the Code.

SECTION 4.10. Protection of Tax Exempt Status of the Note. (A) The Company covenants with the County and the Mortgagee that:

(1) substantially all (as that term is used in Section 103(b)(6)(A) of the Code and the Treasury Regulations issued or proposed thereunder) of the Net Note Proceeds will be used to acquire, construct and install Qualified Property; and

(2) it will not approve, or, to the extent of the Company's control, permit to be approved on its behalf, any payment out of the moneys in the Construction Fund, if as a result of such payment, less than substantially all (as that term is used in Section 103(b)(6)(A) of the Code and the Treasury Regulations issued or

proposed thereunder) of the Net Note Proceeds expended up to and including such time would have been used to acquire, construct or install Qualified Property.

(B) Any other provision of this Agreement notwithstanding, the Company shall not commit or, as to any act over which it has control, suffer to be committed, any act which results in the loss of the tax exempt status of the interest on the Note under Section 103 of the Code and the Treasury Regulations issued or proposed thereunder.

ARTICLE V

EFFECTIVE DATE OF THIS AGREEMENT; DURATION OF THE LOAN TERM;  
REPAYMENT PROVISIONS; AND UNCONDITIONAL OBLIGATION OF  
THE COMPANY

SECTION 5.1. Effective Date of this Agreement;  
Duration of the Loan Term. This Agreement shall become effective upon its delivery and, subject to the provisions of this Agreement (including particularly Articles X, XI and XII hereof), shall expire when the Note and all amounts due or to become due under this Agreement and the Mortgage shall have been fully paid.

SECTION 5.2. The Loan. The County agrees, upon the terms and conditions in this Agreement, to lend to the Company the proceeds received by the County from the sale of the Note by depositing such proceeds in the Construction Fund. Such proceeds shall be thereafter invested and disbursed in accordance with the provision of this Agreement and the Note Ordinance.

SECTION 5.3. Repayment of Loan and Other Amounts Payable. (A) On or before each quarterly payment date of the Note until the principal of, prepayment penalty, if any, and interest on the Note shall have been fully paid, the Company shall pay to the Mortgagee, a sum equal to the amount payable on such date as principal of, prepayment penalty, if any, and interest on the Note in funds immediately available to the Mortgagee in Columbia, South Carolina.

(B) In any event each loan payment under this Section shall be sufficient to pay the total amount of principal,



prepayment penalty, if any, and interest (whether at maturity, by acceleration or by prepayment as provided in the Note and Note Ordinance) payable on each such quarterly payment date, provided that any amount at any time held for application to the payments as they become due on the Note in accordance with the provisions hereof shall be credited against the next loan payment to the extent such amount is in excess of the amount required for payments of the Note theretofore due.

(C) The Company agrees to pay to the Mortgagee as a fee for administrative services in connection with this Agreement, the Mortgage, the Note and the Note Ordinance a sum not in excess of \$5,000 on or before June 16, 1981.

(D) In the event the Company shall fail to make any of the payments required in this Section 5.3, the item or installment so unpaid shall continue as an obligation of the Company until such amount shall have been fully paid, and the Company agrees to pay the same with interest thereon from the date of such failure at the Penalty Rate until fully paid.

SECTION 5.4. Payment of Depositary's Fees and Expenses. (A) The Company agrees to pay to the Depositary an annual fee for the ordinary services of the Depositary and the ordinary expenses incurred by it under the Note Ordinance, as and when the same become due; provided, that any payment made to the Depositary for compensation for services or for reimbursement hereunder shall not adversely

affect the right of the Company to later contest the reasonableness or necessity for such payment.

(B) In the event the Company shall fail to make any of the payments required by Section 5.4(A), the item or installment so unpaid shall continue as an obligation of the Company until such amount shall have been fully paid, and the Company agrees to pay the same with interest thereon from the date of such failure at the Penalty Rate until fully paid.

SECTION 5.5. Place of Loan Payments. The loan payments provided for in Section 5.3(A) hereof shall be paid directly to the Mortgagee in Columbia, South Carolina, for the account of the County and will be applied against the Note.

SECTION 5.6. Obligation of the Company Hereunder Unconditional. (A) The obligation of the Company to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional in accordance with their terms and until such time as the principal of, prepayment penalty, if any and interest on the Note shall have been fully paid or provisions for the payment thereof shall have been made in accordance therewith, the Company shall not suspend or discontinue any payments provided for in Section 5.3 hereof and shall perform and observe all of its other agreements contained in this Agreement and the Mortgage.

(B) Nothing contained in this Section shall be construed to release the County from the performance of any of the agreements on its part herein contained, and in the event the County shall fail to perform any such agreement on its part, the Company may institute such action against the County as the Company may deem necessary to compel performance so long as such action does not abrogate the Company's obligations contained in the first sentence of Section 5.6(A).

Section 5.7. Prepayment of Note. The County, at any time upon the written request of the Company, shall forthwith take all steps that may be necessary under the applicable prepayment provisions of the Note to effect prepayment of all or part of the Note, as may be specified by the Company.

SECTION 5.8. Prepayment of Loan. There is expressly reserved to the Company the right, and the Company is authorized and permitted, at any time it may choose, to prepay all or any part of the amounts payable under Section 5.3 hereof, and the County agrees that the Mortgagee may, but is not obligated to (except to the extent that the Note is subject to prepayment under the terms of the Note Ordinance and the amounts paid are to be applied to effect such prepayment), accept such prepayments when the same are tendered by the Company. All such amounts so prepaid shall be credited on the payments specified in Section 5.3 hereof, in the inverse order of their due dates.



SECTION 5.9. Company Entitled to Certain Abatements if Note Paid Prior to Maturity. If at any time the aggregate payments held by the Mortgagee shall be sufficient to pay in full the principal of, prepayment penalty, if any, and interest on the Note due or to become due to maturity or to such earlier date on which the Note is called for prepayment in accordance with the terms of the Note and the Note Ordinance and to pay all fees, expenses and charges of the Mortgagee and the Depositary hereunder and under the Note and the Mortgage due or to become due through the date on which the Note is retired, under circumstances not resulting in termination of the Loan Term, and if the Company is not at the time otherwise in default hereunder, the Company shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Mortgagee with no obligation to make the payments specified in Section 5.3 hereof during that interval (but otherwise on the terms and conditions hereof).

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

SECTION 6.1. Maintenance and Modification of the Project by the Company. (A) The Company agrees that during the Loan Term it will, at its own expense, keep the Building and Equipment and all other improvements forming the Project in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof. The Company may, also at its own expense, make from time to time any additions, modifications or improvements to the Project it may deem desirable for its business purposes that do not materially adversely affect the use of the Project for the purpose for which it is intended. Subject to the provisions of Section 9.4 hereof, such additions, modifications and improvements so made by the Company shall be on the Land and become a part of the Project.

(B) The Company will not permit any mechanics', materialmen's or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements made by it in accordance with this Section; provided, that if the Company shall first notify the Mortgagee of its intention so to do, the Company may in good faith contest any mechanics', materialmen's or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such

contest and any appeal therefrom unless the Mortgagee shall notify the Company that, in the opinion of an Independent Counsel, by nonpayment of any such items, the lien of the Mortgage as to any part of the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Company shall promptly pay and cause to be satisfied and discharged all such unpaid items.

SECTION 6.2. Removal of Equipment. (A) Neither the County nor the Mortgagee shall be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary Equipment. In any instance where the Company in its discretion determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such item of Equipment from the Building and the Land and sell, trade in, exchange or otherwise dispose of it (as a whole or in part) without any responsibility or accountability to the Mortgagee therefor, provided that the Company shall either:

(1) substitute and install anywhere in the Building or elsewhere on the Land other machinery, equipment or related property having equal or greater market value and utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than



Permitted Encumbrances) and shall become a part of the Equipment; or

(2) so long as the going concern value of the Project is not adversely affected thereby, not make any such substitution and installation, provided that in the case of:

(a) the sale of any such Equipment to anyone other than itself or in the case of the scrapping thereof,

(b) the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Building or elsewhere on the Land, or

(c) any other disposition thereof,

the Company shall, at the election of the Mortgagee, pay to the Mortgagee to be applied first against any accrued and unpaid interest and then against the principal installments on the Note in the inverse order of maturity an amount equal to the greater of (i) the original cost thereof less depreciation taken by the Company at rates calculated in accordance with generally accepted accounting principles or (ii) the net proceeds from such sale or other disposition.

(B) The removal from the Project of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Company to any postponement, abatement or diminution of the amounts payable under Section 5.3 hereof.

(C) The Company shall promptly report to the Mortgagee each such removal, substitution, sale and other disposition and shall pay to the Mortgagee such amounts as are required by the provisions of Section 6.2(A)(2) promptly after the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid to the Mortgagee on account of all such sales, trade-ins or other dispositions not previously reported aggregates at least \$50,000.

(D) The Company shall not remove, or permit the removal of, any of the Equipment from the Land except in accordance with the provisions of this Section.

SECTION 6.3. Taxes, Other Governmental Charges and Utility Charges. (A) The Company shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or with respect to any machinery, equipment or other property installed or brought by the Company therein or thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the payments, revenues or receipts of the County derived from this Agreement which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Mortgage or a charge on the payments, revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Mortgage, and including all ad valorem taxes lawfully

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

(B) The Company may in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Mortgagee shall notify the Company that, in the opinion of Independent Counsel, by nonpayment of any such items the lien or security interest of the Mortgage will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly.

(C) In the event that the Company shall fail to pay any of the foregoing items required by this Section to be paid by the Company, the Mortgagee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Mortgagee shall become an additional obligation of the Company to the Mortgagee, which amounts, together with interest thereon at the Penalty Rate from the



date of payment thereof until paid, the Company agrees to pay.

SECTION 6.4. Insurance Required. (A) The Company shall, at the Company's sole cost and expense at all times during the Loan Term, keep the Project insured against loss or damage in accordance with the customary insurance practices of the Company, but in all events to the following extent:

(1) against the perils of fire and the hazards ordinarily included under standard extended coverage endorsements in amounts necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than the full insurable value thereof within the terms of applicable policies;

(2) against war risks when a state of war or national or public emergency exists and such insurance is obtainable from a department or agency of the United States Government, upon reasonable terms, in the full amount necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than eighty percent (80%) of the then full insurable value, or, if such amounts be not obtainable, then in the highest amount which can be so obtained;

(3) if there are boilers or pressure vessels, from boiler or pressure vessel explosion in an amount customarily carried in the case of similar industrial operations; and

(4) against damage from flood as required under the the national flood insurance program established by the Flood Disaster Protection Act of 1973, as at any time amended, at all times while the Project is eligible under such program, in an amount at least equal to the unpaid principal amount of the Note or to the maximum limit of coverage made available with respect to the Project under such Act, whichever is less.

The term "full insurable value" means such actual replacement value as shall be determined from time to time at the request of the Company or the Mortgagee (but not more frequently than once in every twenty-four (24) months) by one of the insurers selected by Company.

(B) At all times during the Loan Term, the Company shall at no cost or expense to the County, maintain or cause to be maintained:

(1) general public liability insurance (including Workmen's Compensation insurance in amounts usually carried by similar operations) against claims for bodily injury or death occurring upon, in or about the Project, with such insurance (other than Workmen's Compensation Insurance) to afford protection to the limits of not less than \$500,000 in respect to bodily injury or death to any one (1) person and to the limit of not less than \$500,000 in respect of any one (1) accident; and

(2) property damage insurance against claims for damage to property occurring upon, in or about the Project with such insurance to afford protection to the limit of not less than \$250,000 in respect of damage to the property of any one owner.

(C) The insurance required by this Section 6.4, except the said war risk insurance, shall be maintained in full force and effect at all times during the Loan Term of this Agreement, except that such insurance required by Section 6.4(A) hereof need not be placed in force and effect with respect to an improvement (including, without limitation, the Building) until the completion of that improvement provided that builder's risk insurance is in effect at least to the expiration of the builder's risk insurance carried pursuant to the provisions of any contracts entered into with contractors, with the end in view of having full insurance coverage at all times.

(D) Copies or certificates of the insurance required by this Section 6.4, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Mortgagee, shall be delivered by the Company to the Mortgagee. In the case of expiring policies throughout the Loan Term, copies or certificates of any new or renewal policies, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Mortgagee, shall be delivered by the Company to the Mortgagee.



(E) Policies of insurance provided for in Section 6.4(A) hereof and any builder's risk insurance referred to in Section 6.4(C) hereof may name the Company as the insured; provided, however, that the Mortgagee shall also be named as a party insured pursuant to a standard mortgagee clause as its interest may appear, and provided further that while any amount remains unpaid on the Note, all such insurance proceeds shall be payable as provided in Section 7.1 hereof. The Mortgagee shall also be named as an additional insured under Section 6.4(B) hereof. Policies of insurance carried pursuant to Section 6.4(A) hereof may contain deductible provisions up to \$25,000.

(F) All insurance required by this Section 6.4 shall be effected with responsible insurers selected by the Company and satisfactory to Mortgagee. The Company shall cause appropriate provisions to be inserted in each insurance policy making each policy noncancellable without at least twenty (20) days prior written notice to the County, the Company and the Mortgagee. Also, it is agreed that no claim shall be made and no suit or action at law or in equity shall be brought by the County or by anyone claiming by, through or under the County, against the Company for any damage to the Project covered by the insurance provided for by this Section 6.4, however caused, but nothing in this subsection (F) shall diminish the Company's obligation to repair or rebuild as provided in Section 7.1. The Company shall have the sole right and responsibility to adjust any loss with the insurer involved

and to conduct any negotiations in connection therewith, provided that so long as any amount remains outstanding and unpaid on the Note, no settlement of any claim shall be effected without the written consent of the Mortgagee.

(G) All insurance policies under this Section 6.4 shall include effective waivers by the insurer of all claims for insurance premiums against the Mortgagee and shall provide that any losses shall be payable notwithstanding:

(1) any act of negligence of the Company or Mortgagee;

(2) any foreclosure or other proceedings or notice of sale relating to the Project; or

(3) any change in the title to or ownership of the Project.

SECTION 6.5. Application of Net Proceeds of Insurance.

The Net Proceeds of casualty insurance carried pursuant to the provisions of Section 6.4 hereof shall then be paid and applied as provided in Section 7.1 hereof and the Net Proceeds of liability insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

SECTION 6.6. Advances by the Mortgagee. In the event the Company shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Building and the Equipment in good repair and good operating condition, the Mortgagee may (but shall be under no obligation to) take out the required policies of

insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor by the Mortgagee shall become an additional obligation of the Company to the Mortgagee, which amounts, together with interest thereon at the Penalty Rate from the date of advancement thereof until paid, the Company agrees to pay immediately upon request.



## ARTICLE VII

### DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.1. Damage and Destruction. (A) Unless the Project shall be damaged to the extent prescribed by, and the Company shall elect to exercise its option to prepay pursuant to, the provisions of Section 11.2(B) hereof, if prior to the full payment of the Note the Project is damaged by fire or other casualty the Company:

(1) shall promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company and as will not adversely affect the use of the Project for the purpose for which it is intended; and

(2) shall direct the Mortgagee in writing to apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses.

(B) All Net Proceeds of insurance resulting from such claims for losses shall be paid to the Mortgagee and maintained by the Mortgagee in an interest bearing account or, at the request of the Company, invested in accordance with Section 4.9 hereof and disbursed by the Mortgagee at the direction of the Company as aforesaid, subject to the provisions of Section 7.1(E) hereof.

(C) In the event the Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Company shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(D) The Company shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the County or Mortgagee therefor), be entitled to any reimbursement from the County, or the holder of the Note, or any postponement, abatement or diminution of the amounts payable under Section 5.3 hereof.

(E) Any balance of the Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall, upon certification of completion, at the option of the Mortgagee, which option is to be exercised within thirty (30) days after such payment, be paid to the Mortgagee to be applied to the prepayment of the Note, such prepayment to be applied first against any accrued and unpaid interest and then against principal installments on the Note in the inverse order of maturity. If the Note has been fully paid or if the Mortgagee shall not exercise its option to receive such balance of Net Proceeds, all such Net Proceeds shall be paid to the Company.

SECTION 7.2. Condemnation. (A) Unless the Company shall elect to exercise its option to prepay pursuant to the provisions of Section 11.2(B) hereof, in the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of

eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Company shall be obligated to continue to pay the amounts specified in Section 5.3 hereof. Subject to Section 6.2 hereof, the Company and the Mortgagee shall cause the Net Proceeds received by them or either of them from any award made in such eminent domain proceedings, to be paid to and held by the Mortgagee in an interest bearing account or, at the request of the Company, invested in accordance with Section 4.9 hereof, to be applied in one or more of the following ways as shall be directed in writing by the Company:

(1) to the restoration by the Company of the Project so that it may be operated in substantially the same manner as operated prior to the exercise of the said power of eminent domain;

(2) to the acquisition, construction or installation of improvements consisting of a building or buildings, facilities, machinery, equipment or other properties suitable for the Company's operations at the Project; provided, that such improvements shall be acquired, constructed or installed by the Company subject to no liens or encumbrances, other than Permitted Encumbrances; or

(3) to the prepayment of the Note pursuant to the terms of the Note and Section 301 of the Note Ordinance, such prepayment to be applied first against any accrued and unpaid interest and then against the



principal installments on the Note in the inverse order of maturity.

(B) Unless the Company shall have elected to exercise its option to prepay pursuant to the provisions of Section 11.2(B) hereof, within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Company shall notify the Mortgagee in writing as to which of the ways specified in this Section the Company wishes to apply the condemnation award. If either alternative provided by Section 7.2(A)(1) or Section 7.2(A)(2) has been chosen by the Company, any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after such application shall, at the election of the Mortgagee, be paid to the Mortgagee to be applied as a prepayment of the Note first against any accrued and unpaid interest and then against the principal installments on the Note in the inverse order of maturity. If the Note has been fully paid or if the Mortgagee shall not exercise its option to receive the Net Proceeds, all Net Proceeds shall be paid to the Company.

SECTION 7.3. Condemnation of Company-Owned Property.  
The Company shall also be entitled to the Net Proceeds of any condemnation award or portion thereof for damage to or taking of its own property not included in the Project.

ARTICLE VIII

SPECIAL COVENANTS

SECTION 8.1. No Warranty of Condition or Suitability by the County. The County makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Company's purposes or needs.

SECTION 8.2. County's and Mortgagee's Right of Access to the Project. The Company agrees that the County, the Mortgagee and the duly authorized agents of each shall have the right at all reasonable times to enter upon the Land and to examine and inspect the Project. The Company further agrees that the County, the Mortgagee and duly authorized agents of each shall have such rights of access to the Project as may be reasonably necessary to enable them to provide for the proper maintenance of the Project in the event of the failure by the Company to perform its obligations under Section 6.1 hereof.

SECTION 8.3. Company to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the Loan Term it will maintain its corporate existence, will not terminate, dissolve or otherwise dispose of all or substantially all of its assets; provided, that the Company may, without violating the agreement contained in this Section, sell or otherwise transfer to another corporation all or substantially all of its assets and thereafter terminate or dissolve, provided the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations and

covenants of the Company under this Agreement and provided further that the net worth of such corporation shall be not less than that of the Company immediately prior to such sale or transfer.

SECTION 8.4. Qualification in South Carolina. The Company warrants that it is, and throughout the Loan Term it will continue to be, duly qualified to do business and in good standing under the laws of the State of South Carolina.

SECTION 8.5. Release of Certain Land. (A) The parties hereto may at any time and from time to time amend this Agreement with the approval of the Mortgagee for the purpose of effecting the release of and removal from this Agreement of any part (or interest in such part) of the Land with respect to which the Company desires to grant an easement or convey fee title to a railroad, public utility or public body in order that railroad services, utility services or roads may be provided for the Project; provided, that if at the time any such amendment is made any amount is outstanding and unpaid upon the Note there shall be deposited with the Mortgagee the following:

- (1) a copy of said amendment as executed;
- (2) a statement of the Board of Directors of the Company (a) stating that the County is not, to the knowledge of the Company, in default under any of the provisions of this Agreement and the Company is not in default under any of the provisions of this Agreement or the Mortgage, (b) giving an adequate legal description of that portion (together with the interest



in such portion) of the Land to be released, (c) stating the purpose for which the Company desires the release and (d) stating that the said improvements which will be so constructed will be such as will promote the continued industrial development of South Carolina;

(3) a resolution of the Board of Directors of the Company approving the amendment and the statement required by the previous item;

(4) a resolution of the County Board approving the amendment;

(5) a copy of the instrument granting the easement or conveying the title to a railroad, public utility or public body; and

(6) a certificate of an Independent Engineer who is acceptable to the Mortgagee, dated not more than ninety (90) days prior to the date of the release and stating that, in the opinion of the person signing such certificate, (a) the portion of the Land so proposed to be released is necessary or desirable in order to obtain railroad, utility services or roads to benefit the Project and (b) the release so proposed to be made will not impair the usefulness of the Project for the purpose for which it is intended and will not destroy the means of ingress thereto and egress therefrom.

(B) If all of the conditions of this Section 8.5 are met the Mortgagee shall release any such property from the lien of the Mortgage.

(C) No release effected under the provisions of this Section shall entitle the Company to any postponement, abatement or diminution of the amounts payable under Section 5.3 hereof.

SECTION 8.6. Granting of Easements. (A) If no event of default under this Agreement shall have happened and be continuing, the Company may at any time, with the prior approval of the Mortgagee, grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project other than an easement as described in Section 8.5 hereof, free from the lien of the Mortgage, and the Company may release existing easements, licenses, rights of way and other rights or privileges with or without consideration.

(B) No grant or release effected under the provisions of this Section shall entitle the Company to any postponement, abatement or diminution of any amounts payable under Section 5.3 hereof.

SECTION 8.7. Indemnification Covenants. (A) The Company shall and hereby agrees to indemnify and save the County and the Mortgagee harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the Loan Term and against and from all claims arising during the Loan Term from:

(1) any condition of the Project;

(2) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement;

(3) any act or negligence of the Company or of any of its agents, contractors, servants, employees or licensees with respect to the Project;

(4) any act of negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company with respect to the Project; or

(5) any claim otherwise arising in connection with this Agreement and the transactions contemplated hereby.

The Company shall indemnify the County and the Mortgagee and save the County and the Mortgagee harmless from any and all costs and expenses incurred in or in connection with any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the County or the Mortgagee, the Company shall defend them or either of them in any such action or proceeding.

(B) Notwithstanding the fact that it is the intention of the parties that the County shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the County hereunder, by reason of the issuance and delivery of the Note, by reason of the performance of any act required of it by this Agreement, or by reason of the performance of any act requested of it by



the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County should incur any such pecuniary liability, then the Company shall indemnify and hold harmless the County against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County, the Company shall defend the County in any such action or proceeding.

SECTION 8.8. Tax Indemnification. (A) In the event that a Determination of Taxability (as defined in subsection (B) hereof) shall be made, the Note will, according to its terms and the terms of the Note Ordinance, after such Determination of Taxability, in lieu of bearing interest at the rate of 63% of the Prime Rate, bear interest from the date of the Determination of Taxability at a rate (the "Taxable Rate") which after making provision for federal income taxes at the maximum statutory tax rate applicable to the Mortgagee will produce to the Mortgagee an amount equivalent to the yield on a tax exempt obligation bearing interest at 63% of the Prime Rate from the date of the Determination of Taxability until paid.

(B) A Determination of Taxability shall be deemed to have occurred on the date the Mortgagee notifies the Company that:

(1) (a) any ruling (including a private ruling) of the Internal Revenue Service (the "IRS") has been issued or revoked,

(b) a proposed deficiency letter (30-day letter) has been issued to the Mortgagee or any other action has been taken by the IRS, the Department of the Treasury or any other governmental agency,

(c) any judicial opinion has been rendered, or

(d) any other event has occurred or other circumstances exist;

(2) the period for which the Mortgagee is obligated under Section 8.9 hereof to contest any of the actions or occurrences set forth in items (1)(a) through 1(d) of this subsection (B) has expired; and

(3) as a consequence of any of the actions or occurrences set forth in items (1)(a) through (1)(d) of this subsection (B), counsel for the Mortgagee shall have advised the Mortgagee either that interest on the Note is currently includable in gross income for federal income tax purposes or that such counsel cannot give its opinion, without materially qualifying the same, to the effect that interest on the Note is currently excludable from gross income for federal income tax purposes; provided, however, that if such opinion is based solely upon, or a necessary factor for the basis of such opinion is, the conclusion that the Mortgagee is a substantial user of the Project within the meaning of Section 103(b)(9) (or any successor provision) of the Code or a "related person," as defined in Section 103(b)(6)(C) (or any successor provision) of the Code, no Determination of Taxability shall be deemed to have occurred.

(C) If as a result of a Determination of Taxability (whether before or after payment, at maturity or otherwise, of the Note) any interest payments paid or accrued to the Mortgagee on the Note prior to the date of any such Determination of Taxability are includable in the Mortgagee's gross income for federal income tax purposes,

the Company shall pay to the Mortgagee within three business days after demand the following amounts:

(1) an amount equal to the difference between (a) the interest that would have been payable had such interest payments been calculated at the Taxable Rate and (b) the actual amount of such interest payments; plus

(2) the amount of penalties, additions to tax, exclusive of any taxes imposed under Section 11 (or any successor provision) of the Code, or interest assessed against the Mortgagee on account of the inclusion of such interest payments in the Mortgagee's gross income for federal income tax purposes ("Additions to Tax") that are deductible by the Mortgagee for federal income tax purposes; plus

(3) an amount, which, after the deduction of all federal, state or local taxes required to be paid by the Mortgagee in respect of the receipt thereof (calculated at the maximum statutory rate applicable to the Mortgagee) minus any tax benefit derived therefrom, shall be equal to the amount of any Additions to Tax that are not deductible by the Mortgagee for federal income tax purposes.

(D) If (1) at any time (whether before or after payment, at maturity or otherwise, of the Note) it is determined that any payment of interest on the Note, or any amount in respect of interest on the Note, as a whole or in part, is subject to the tax imposed under Sections 56 to 58 (or any successor provisions) of the Code (the "Preference Tax"), as evidenced either by an amendment to the Code or by the opinion of counsel for the Mortgagee to that effect, and (2) the Mortgagee pays such Preference Tax, the Company shall pay to the Mortgagee within three business days after demand the following amounts:

(a) the amount of any Preference Tax paid by the Mortgagee, plus

(b) the amount of any Additions to Tax



(which for the purposes of this subsection (D) shall be deemed to refer to such penalties, Additions to Tax or interest as shall have been assessed against the Mortgagee on account of the imposition of the Preference Tax) that are deductible for federal income tax purposes, plus

(c) an amount, which, after the deduction of all federal, state or local taxes required to be paid by the Mortgagee in respect of the receipt thereof (calculated at the maximum statutory rate applicable to the Mortgagee) minus any tax benefit derived therefrom, shall be equal to the amount of any Additions to Tax that are not deductible by the Mortgagee for federal income tax purposes.

(E) If the Company shall have made any payments to the Mortgagee by reason of subsections (A) through (D) hereof and if the Mortgagee shall successfully claim for the taxable year in question that all or any part of the interest on the Note for such taxable year is excluded from the Mortgagee's gross income for federal income tax purposes or that the Preference Tax is not due and payable (for this purpose a claim shall be successful only upon expiration of the statute of limitations provided by Section 6501 of the Code with respect to such taxable year), then the Mortgagee shall pay to the Company an amount equal to all or a comparable part of such payment with respect to such taxable year in question made by the Company.

(F) All payments by the Company pursuant to this Section 8.6 shall be made to the Mortgagee in Federal or other immediately available funds in Columbia, South Carolina.

(G) The obligations of the Company under this Section 8.8 shall survive the payment in full of all sums due under the Note and shall continue in effect until all amounts due

hereunder have been paid and in any event until five (5) days after all statutes of limitation have run (after taking into account all extensions and suspensions thereof) in respect of any taxable year during which any payment of interest on the Note or any payment pursuant to this Section 8.8 was received or accrued.

SECTION 8.9. Mortgagee's Duty to Contest. (A) Promptly after the Mortgagee is advised by counsel that as a result of any of the actions or occurrences set forth in items (1)(a) through (1)(d) of Section 8.8(B) hereof either that interest on the Note is currently includable in the Mortgagee's gross income for federal income tax purposes or that such counsel cannot give its opinion, without materially qualifying the same, to the effect that interest on the Note is currently excludable from the Mortgagee's gross income for federal income tax purposes, unless such opinion is based solely upon, or a necessary factor for the basis of such opinion is, the conclusion that the Mortgagee is a "substantial user" of the Project within the meaning of Section 103(b)(9) (or any successor provision) of the Code or a "related person", as defined in Section 103(b)(6)(C) (or any successor provision) of the Code, the Mortgagee shall notify the Company of such advice. If the Company requests in good faith that the Mortgagee contest such action or occurrence, the Mortgagee shall, to the extent permitted by law, contest, at the Company's expense, any such action or occurrence. In the event that an action or proceeding is brought pursuant to this Section 8.9 or in

relation to any such action or occurrence, the Company shall be entitled to participate therein and, to the extent permitted by law, to assume the prosecution or defense thereof with counsel employed by it.

(B) The Mortgagee's obligation to contest shall expire upon the final determination of any action or proceeding brought pursuant to this Section 8.9 or upon the expiration of three years after the date that the Company receives notification pursuant to subsection (A) of this Section even if any action or proceeding shall not then be completed or terminated, whichever shall first occur.

Section 8.10. Financial Reports. During the term of this Agreement the Company shall provide to the Mortgagee the following:

(A) within one hundred fifty (150) days after the close of the Company's fiscal year, beginning with fiscal year 1980, a consolidated balance sheet and consolidated statements of income, retained earnings and changes in financial position showing the consolidated financial condition of the Company at the close of such fiscal year and the results of operations of the Company for such fiscal year, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceeding year, or containing disclosures of the effect on financial position or results of operations of any change in the application of accounting principles during the year, and accompanied by a report thereon, containing an opinion, unqualified as to scope limitations



imposed by the Company, of a firm of independent certified public accountants selected by the Company and acceptable to the Mortgagee and accompanied by consolidating figures, which may be unaudited; such statement shall be accompanied by a statement from the firm of independent certified public accountants that, in making its examination of the consolidated financial statements of the Company it obtained no knowledge of any event of default by the Company in the fulfillment of any of the terms, covenants, provisions or conditions of this Agreement or any other document executed by the Company in connection herewith insofar as they pertain to accounting matters relating to this Agreement or any other document executed by the Company in connection herewith, or which, after notice by the Mortgagee, or lapse of time, or both, would constitute such an event of default, or a statement specifying the nature and period of existence of conditions or event disclosed by its examination;

(B) at the time of delivery of the reports and statements described in (A) above, a certificate of an officer of the Company that there exists no default under this Agreement, the Mortgage or any other agreement associated herewith or therewith;

(C) such other information as the Mortgagee may reasonably request; and

(D) prompt notice of the occurrence of any event of default hereunder or any event likely to create an event of default hereunder.

ARTICLE IX

LEASING, MORTGAGING, SELLING, AND REDEMPTION

SECTION 9.1. Leasing. The Project may be leased as a whole or in part by the Company without the necessity of obtaining the consent of the County, but only with the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld, subject, however, to each of the following conditions:

(A) No leasing shall relieve the Company from primary liability for any of its obligations hereunder, and in the event of any such leasing the Company shall continue to remain primarily liable for payment of the amounts specified in Section 5.3 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it;

(B) The lessee shall unconditionally assume the obligations of the Company hereunder to the extent of the interest leased; and

(C) The Company shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the County and to the Mortgagee a true and complete copy of such lease.

SECTION 9.2. Mortgage of the Project. The Company shall, pursuant to the Mortgage, mortgage the Project, and the County shall, pursuant to the Assignment, assign its interest in and pledge the Pledged Amounts, to the Mortgagee as security for payment of the Note.

SECTION 9.3. Restrictions on Sale of the Project by the Company. The Company agrees that, except as set forth in Section 9.2 hereof and except for Permitted Encumbrances, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project during the Loan Term.

SECTION 9.4. Installation of the Company's Own Machinery and Equipment. The Company may, from time to time, in its sole discretion and at its own expense, install machinery, equipment or other personal property at the Project and which may be attached or affixed to the Building or the Land. All such machinery, equipment and other personal property, unless it shall become fixtures, shall remain the sole property of the Company and, except to the extent that it shall constitute fixtures, the Company may remove the same from the Project at any time, in its sole discretion and at its own expense; provided, that any damage to the Project resulting from any such removal shall be repaired by the Company at the expense of the Company. The Company may create any mortgage, encumbrance, lien or charge on any such machinery, equipment or other personal property provided that the same will not diminish or impair the security intended to be given by or under the Mortgage or result in the creation of any mortgage, encumbrance, lien or charge on the Project other than Permitted Encumbrances. Neither the County nor the Mortgagee shall have any interest in or landlord's lien on any such machinery, equipment or personal property so installed pursuant to this Section 9.4 unless it shall constitute fixtures, and all such machinery,



equipment and personal property other than fixtures, shall be and remain identified as the property of the Company by appropriate tags or other markings.

SECTION 9.5. Reference to Note Ineffective After Payment. Upon payment in full of the Note and all fees and charges of the Depository and the Mortgagee, all references in this Agreement to the Note and the Mortgage shall be ineffective, and the Depository and the Mortgagee shall thereafter have no rights hereunder, saving and excepting those that shall have theretofore vested.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default Defined. The following shall be "events of default" under this Agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(A) Failure by the Company to pay the amounts required to be paid under Section 5.3 of this Agreement applicable to the principal of, prepayment penalty, if any, and interest on the Note at the times specified therein;

(B) Any material representation or warranty of the Company contained in this Agreement or in any certificate or other instrument delivered under or pursuant to any provision of this Agreement or in connection with the financing of the Project shall prove to have been false or incorrect in any material respect at the time it was made;

(C) Failure by the Company to observe or perform any covenant, condition or agreement (other than as referred to in subsection (A) of this Section) in this Agreement on the part of the Company to be observed or performed, for a period of thirty (30) days after receipt by the Company of written notice specifying such failure and requesting that it be remedied is given to the Company by the County or the Mortgagee; provided, however, if said failure is such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Company within the applicable

period and diligently pursued until the failure is corrected;

(D) Failure by the Company to pay any other debt in excess of \$50,000 for borrowed money or the deferred purchase price of property or the breach of an agreement creating such a debt if such breach gives the holder of such debt the right to accelerate, unless the failure or breach has been waived by the holder of such debt or the Company provides the County and the Mortgagee with an opinion of counsel satisfactory in form and substance to the Mortgagee to the effect that the Company is actively contesting payment and has a meritorious defense in connection therewith;

(E) The filing of a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the federal Bankruptcy Code or any other applicable federal or state law, the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property or the ordering of the winding up or liquidation of the Company's affairs and the continuance of any such proceeding or order undismissed or unstayed for a period of sixty (60) consecutive days;

(F) The institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the federal



Bankruptcy Code or any other applicable federal or state law, or consent by it to the filing of any such petition, or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of official action by the Company in furtherance of any such action; or

(G) The prospect of payment or performance under this Agreement or any document or instrument relating hereto or the prospect of realization on the collateral securing the loan relating hereto is significantly impaired for any reason whatsoever.

SECTION 10.2. Remedies on Default. (A) Whenever any event of default referred to in Section 10.1 shall have happened and be continuing, the Mortgagee may take any one or more of the following remedial steps; provided, however, that upon the occurrence of any event of default referred to in subsections (E) or (F) of Section 10.1 hereof, all amounts payable under Section 5.3 hereof for the remainder of the Loan Term and any applicable prepayment penalty shall become immediately due and payable without any further act or action on the part of the Mortgagee, and the Mortgagee may thereupon take any one or more of the remedial steps set forth in items (2) through (4), inclusive of this subsection:

(1) declare all amounts payable under Sections 5.3(A), 5.3(B), 5.3(C) and 5.3(D) hereof for the remainder of the Loan Term and any applicable prepayment penalty to be immediately due and payable, whereupon the same shall become immediately due and payable;

(2) in the event any amount shall at the time be outstanding and unpaid on the Note, have access to and inspect, examine and make copies of the books and records and any and all accounts, similar data and income tax and other tax returns of the Company;

(3) exercise any rights and remedies available under the Uniform Commercial Code of the State of South Carolina as is then in effect; or

(4) take whatever action at law or in equity may appear necessary or desirable to collect the loan payments and other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement.

(B) Any amounts collected pursuant to action taken under this Section shall be paid to the Mortgagee and applied to prepayment of the Note to be applied first against the cost of collection, second against any accrued and unpaid interest, and then against the principal installments on the Note in the inverse order of maturity, or if the Note and all other amounts due under this

Agreement and the Mortgage have been fully paid, to the Company.

(C) Except to the extent of any such collection, no action taken pursuant to this Section shall relieve the Company from its obligations pursuant to Sections 5.3, 8.7, 8.8, 10.2(A) and 10.4 hereof, all of which obligations shall survive any such action, and the County or the Mortgagee may take whatever action at law or in equity as may appear necessary and desirable to collect the loan payments and other amounts then due and thereafter to become due and/or to enforce the performance and observance of any agreement or covenant of the Company hereunder.

SECTION 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Mortgagee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the County hereunder shall also extend to the Mortgagee.



SECTION 10.4. Agreement to Pay Attorneys' Fees and Other Expenses. In the event the Company should default under any of the provisions of this Agreement and the County or the Mortgagee should employ attorneys or incur other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, or should the County or the Mortgagee incur any expense with respect to any obligation of the Company under any other provision hereunder, the Company agrees that it will on demand therefor pay to the County or the Mortgagee, together with interest on any such amounts at the Penalty Rate from the date such fee or expenses are incurred until paid, the reasonable fee of such attorneys and such other expenses so incurred by the County or the Mortgagee.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE XI

### OPTIONS IN FAVOR OF THE COMPANY

SECTION 11.1. Option to Terminate. The Company shall have, and is hereby granted, the option to terminate the Loan Term and its obligations hereunder at any time prior to full payment of the Note by paying to the Mortgagee an amount which will be sufficient to pay and retire the Note in accordance with its provisions (including, without limiting the generality of the foregoing, principal, prepayment penalty, if any, and interest to the prepayment date and fees and expenses, if any, of the Depository and the Mortgagee) and by giving the County notice in writing of such termination, and such termination shall forthwith become effective.

SECTION 11.2. Option to Prepay Prior to Maturity of the Note. (A) The Company shall have, and is hereby granted, the option to prepay the Note and terminate the Loan Term if any of the following shall have occurred:

(1) the Project shall have been damaged or destroyed to such an extent that (a) it cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction or (b) the Company is thereby prevented from carrying on its normal operations at the Project for a period of six months;

(2) title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by

any governmental body or by any person, firm or corporation acting under governmental authority (including such a taking or takings as results in the Company being thereby prevented from carrying on its normal operation of the Project for a period of six months); or

(3) this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this Agreement as a result of (a) any changes in the Constitution of South Carolina or Constitution of the United States of America, (b) legislative or administrative action (whether state or federal) or (c) any final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Company in good faith.

(B) To exercise such option, the Company shall, within ninety (90) days following the event authorizing the exercise of such option, give written notice to the County and to the Mortgagee, and shall specify therein the date of, which date shall be not more than ninety (90) days from the date such notice is mailed. The amount payable by the Company in the event of its exercise of the option granted in this Section, which shall be applied to the prepayment of the Note and shall be the sum of the following:

(1) an amount of money which, when added to the amount then held by the Mortgagee will be sufficient to



prepay the Note in accordance with its terms; plus

(2) An amount of money equal to the Mortgagee's reasonable fees and expenses under the Mortgage accrued and to accrue until such final payment of the Note.

In the event of the exercise of the option granted in this Section any Net Proceeds of insurance or condemnation shall be paid to the Company simultaneously with the exercise of such option.

SECTION 11.3 Relative Position of Options and Mortgage.

The options respectively granted to the Company in this Article, except under Section 11.2 hereof, shall be and remain subordinate to the Mortgage.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1. Notices. (A) All notices, certificates or other communications hereunder shall be in writing and shall be deemed to have been given when mailed by registered mail, postage prepaid, addressed as follows:

(1) If to the County, to Spartanburg County Council, Spartanburg County Courthouse, Spartanburg, South Carolina 29301;

(2) If to the Company, to Schweiter Corporation, Post Office Box 371, Spartanburg, South Carolina 29304 (Attention: President); and

(3) If to the Mortgagee, to The South Carolina National Bank, 1241 Main Street, Columbia, South Carolina 29226 (Attention: Wholesale Banking).

(B) The County, the Company and the Mortgagee may, by giving notice to all parties to this Agreement, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 12.2. Other Instruments. (A) The Company covenants to deliver to the Mortgagee within sixty (60) days after the close of each fiscal year of the Company, a description of the Project as of the close of such fiscal year, if not adequately described in the granting clauses of the Mortgage as then supplemented, and in the exhibits attached to and incorporated into this Agreement. Such description shall be sufficiently detailed so as to enable counsel to render the opinion referred to in item (4) of

this subsection. Within thirty (30) days after delivery of such description, the Company covenants that it will:

(1) prepare a supplement to the Mortgage and an amendment to this Agreement and to any financing statements of record, each containing an adequate and full description of the Project;

(2) deliver the supplement to the Mortgage and the amendments to the financing statements to the Mortgagee and the amendment to this Agreement to the County, for execution;

(3) deliver the fully executed supplement to the Mortgage and the fully executed amendments to this Agreement and to the financing statements to the Mortgagee for recording and filing or re-recording or re-filing in all places required by the opinion of counsel referred to in item (4) of this subsection; and

(4) deliver to the Mortgagee a written opinion of counsel (who may be counsel for the County or the Company) addressed to the Mortgagee that the description of the Mortgaged Property (as defined in the Mortgage) contained in the granting clauses of the Mortgage, as supplemented, and the description of the Project contained in the exhibits attached to and incorporated into this Agreement, as amended, are adequate for all purposes thereof and hereof; that the Mortgage, as supplemented, constitutes a valid first mortgage lien on, and security interest in, the interest of the County in the Mortgaged Property, subject only to Permitted Encumbrances; that the Mortgage, as



supplemented, and all financing statements, continuation statements, notices and other instruments required by applicable law have been recorded or filed or re-recorded or re-filed in such manner and in such places required by law in order to fully preserve and protect the rights of the Mortgagee in the and in the Assignment as against creditors of, or purchasers for value from, the County or the Company.

(B) The Company, the County and the Mortgagee shall execute and deliver all instruments and shall furnish all information and evidence deemed necessary or advisable by such counsel in order to enable him to render the opinion referred to in item (4) of subsection (A) of this Section. The Company shall file and record and re-record or cause to be filed and recorded and re-recorded all instruments required to be filed and recorded and re-recorded pursuant to the opinion of such counsel and shall continue or cause to be continued the liens of such instruments for so long as the Note shall be outstanding, except as otherwise in this Agreement required. The Mortgagee and the County shall execute such instruments and take such other actions as shall be necessary to permit the Company to comply with its obligations contained in the preceding sentence.

SECTION 12.3. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the County, the Company, the Mortgage and their respective successors and assigns.

SECTION 12.4. Severability. In the event any provision of this Agreement shall be held invalid or unen-

forceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 12.5. Amendments, Changes, Modifications and Waivers. This Agreement may not be amended, changed, modified, altered or terminated nor may the performance of any of the obligations of the parties hereunder be waived without in each instance the prior written consent of the Mortgagee.

SECTION 12.6. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.7. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina shall govern its construction.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA  
has caused this Loan Agreement to be executed by the County  
Administrator, its corporate seal to be impressed hereon and  
the same to be attested by the Clerk of Spartanburg County  
Council, SCHWEITER CORPORATION has caused this Loan  
Agreement to be executed by its \_\_\_\_\_, its corporate  
seal to be impressed hereon and the same to be attested by  
its \_\_\_\_\_ and THE SOUTH CAROLINA NATIONAL BANK has  
caused this Loan Agreement to be executed by its  
\_\_\_\_\_, its corporate seal to be impressed  
hereon and the same to be attested by its \_\_\_\_\_,  
all being done as of the 1st day of June, 1981.

SPARTANBURG COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
County Administrator

Attest:

By \_\_\_\_\_  
Clerk, Spartanburg  
County Council

(SEAL)



SCHWEITER CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

Attest:

By \_\_\_\_\_ (SEAL)  
Its \_\_\_\_\_

THE SOUTH CAROLINA NATIONAL  
BANK

By \_\_\_\_\_  
Its \_\_\_\_\_

Attest:

By \_\_\_\_\_ (SEAL)  
Its \_\_\_\_\_

EXHIBIT "A"

DESCRIPTION OF LAND

EXHIBIT "B"

DESCRIPTION OF EQUIPMENT



STATE OF SOUTH CAROLINA     )  
                                  )  
COUNTY OF SPARTANBURG     )     ASSIGNMENT OF  
                                  )     LOAN AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that SPARTANBURG COUNTY, SOUTH CAROLINA (the County), a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through Spartanburg County Council, in consideration of the sum of One Dollar (\$1.00) to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, has pledged, assigned, transferred and set over unto THE SOUTH CAROLINA NATIONAL BANK and its successors and assigns (the Bank) all of the right, title and interest of the County in and to the foregoing Loan Agreement dated as of June 1, 1981 among the County, Schweiter Corporation and the Bank including, without limitation, the right of the County to receive the Pledged Amounts under the Loan Agreement but excluding the County's right to receive payments pursuant to Sections 6.3, 8.7 and 10.4 thereof.

The parties agree that the pledge and assignment made hereby shall not subject the Bank to, or transfer or pass, or in any way affect or modify, any obligations of the County under the Loan Agreement, it being understood and agreed that all such obligations of the County shall be and remain enforceable only against the County.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA  
has caused these presents to be signed in its name and  
behalf by the County Administrator, its corporate seal to be  
impressed hereon and the same to be attested by the Clerk of  
Spartanburg County Council, all being done as of the 1st day  
of June, 1981.

SPARTANBURG COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
County Administrator

Attest:

By \_\_\_\_\_  
Clerk, Spartanburg  
County Council

(SEAL)

22340

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF SPARTANBURG )

CONSENT TO  
ASSIGNMENT OF  
LOAN AGREEMENT

Schweiter Corporation hereby certifies that Spartanburg County, South Carolina (the County), Schweiter Corporation and The South Carolina National Bank (the Mortgagee) have entered into a Loan Agreement dated as of June 1, 1981 and hereby consents to the Assignment of Loan Agreement by the County to the Mortgagee, being done as of the 1st day of June, 1981.

SCHWEITER CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT  
MAY 25 1981 NO. 1  
STATE BUDGET & CONTROL BOARD

22341



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 2

BLUE AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

2

## STATE BUDGET & CONTROL BOARD

Agency: Finance Division (Engineering)

Subject: Permanent Improvement Projects Released by Staff

State Engineer McPherson advises that the following projects, which have been reviewed by the Joint Bond Review Committee, have been released:

On Summary 45-81, item 3a, Parks, Recreation and Tourism, Oconee Station Planning; and item 3b, Parks, Recreation and Tourism, Jones Gap Trail Restoration and Stabilization;

On Summary 62-81, Health and Environmental Control, Harden Street Warehouse Renovation;

On Summary 54-81, Midlands TEC Airport Campus, Building #42 Renovation.

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Referenced Summaries

22342

NUMBER  
45-81

Page 1 of 1

22343

# EXHIBIT

MAY 25 1981

NO. 2

STATE BUDGET & CONTROL BOARD

MAY 13 1981

Date \_\_\_\_\_

Page 1 of 1

NUMBER
62-81

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL	Revise budget (increase) to \$29,650	Add \$9,650 Operating funds (contractual services)	7741 J04-007	Harden Street Warehouse Renovation: Add funding to award contract. Bid expires May 19, 1981.	JBR COMMITTEE APPROVED PER POLL 5/7/81	5-18-81 APP

# EXHIBIT

MAY 25 1981 NO. 2

STATE BUDGET & CONTROL BOARD

22344

EXHIBIT

MAY 25 1981	NO.	2
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STATE BUDGET &amp; CONTROL BOARD

22344





House of Representatives - State of South Carolina

MAY 07 1981

MAY 13 1981

Charles E. Hodges  
District No. 104-Horry County  
4307 Broad Street  
Loris, S.C. 29569

228 Blatt Building  
Columbia, S.C. 29211

Tel. (803) 758-8316

Committees:

Ways and Means  
Capital Improvements Bond Review Committee - Chairman  
S.C. Committee on Tourism and Trade - Chairman  
Public Transportation Study - Vice Chairman  
State Reorganization Commission - Chairman  
Majority Leader

May 7, 1981

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
212 Wade Hampton Bldg.  
Columbia, South Carolina 29201

RECEIVED  
MAY 08 1981  
S. C. BUDGET AND  
CONTROL BOARD

Staff  
Approved  
5-13-81

In re: S54-81; Midlands TEC  
Airport Campus - Bldg. #42  
Renovation project

Dear Mr. McInnis:

Receipt is acknowledged of your letter of March 26, 1981 (Summary #54-81) advising of the request by the State Board for Technical and Comprehensive Education for approval to renovate Building #42 at the Midlands TEC Airport Campus to be used for the Associate Degree Nursing Program, which is scheduled to begin in September, 1981, and to be funded from local funds in the amount of \$212,000 in anticipation of the eventual reimbursement of this cost from bond funds.

The Committee made note of the fact that this project is included in TEC's 1981 bond authorization requests in the amount of \$169,000 of Capital Improvement Bonds and \$42,400 of Institution Bonds.

This is to advise that the Joint Bond Review Committee has approved, per Poll, the establishment of this project to be funded by local funds, but that such approval does not, in any way, obligate the Committee to a future approval of the requested bond authorizations as reimbursement for the cost of this project.

With kind regards,

Sincerely,

*Charles E. Hodges*

Charles E. Hodges, Chairman  
Joint Bond Review Committee

CEH:lc

EXHIBIT

MAY 25 1981 NO. 2

STATE BUDGET & CONTROL BOARD

22345

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 3

BLUE AGENDA

MEETING OF 5/25/81

ITEM NUMBER

3

STATE BUDGET & CONTROL BOARD

---

Agency: Finance Division (Grants Services)

---

Subject: Package of 26 Projects Dated 5/18/81

Please refer to attachments for details.

---

Board Action Requested:

Approve Grants and Contracts Subcommittee recommendations on referenced package of 26 projects involving a total of \$131,310,662.

---

Staff Comment:

---

Attachments:

Morris 5/18/81 memo to Putnam plus attachments

22346

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADYL PATTERSON, JR.  
STATE TREASURER  
EARLEE MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

**EXHIBIT**

MAY 25 1981

NO. **3**

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: William T. Putnam, Executive Director  
Budget and Control Board

FROM: Earle E. Morris, Jr., Comptroller General  
Chairman, Grants and Contracts Subcommittee

DATE: May 18, 1981

*Earle E. Morris, Jr.*

The attached summary is provided in compliance with Section 5, Act 651 of 1978 (Joint Resolution), to the Budget and Control Board for their necessary action.

There are 26 projects from 13 state agencies who are requesting the following amounts from federal, state, and other sources:

Federal Funds	\$129,651,785
State Matching	1,616,551
Other Matching	<u>142,326</u>
Total	\$131,310,662

(These total funds include \$4,967 in 4 subcontracts between state agencies.)

The total number of personnel to be hired or retained on these programs is as follows (new personnel not to exceed authorized ceiling):

<u>New Personnel</u>	<u>Continuing Personnel</u>
Full-Time - 3	Full-Time - 72.27
Temporary - <u>0</u>	Part-Time - <u>0</u>
3	72.27

The Grants and Contracts Subcommittee recommendations for these programs are reflected in Column 10 of the attached summary.

Attachment

22347



DATE: May 18, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 22, 1982

22

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.		BSC Board/ GCR Subcommittee Recommendation	
1 OEPP, Div. of Education	1-D17-064	950	5-1-81 6-30-81	475 50%	475 50%	0	0	0	National Endowment for Arts thru State Arts Commission 45.007 Provide for showcase of artists and craftspersons for school children who are visiting the Governor's Mansion.	Approval	This project was not included in agency's budget.
2 S.C. State College	1-H24-024	19,655	6-1-81 5-30-82	9,828 50%	9,827 50%	0	0	0	National Science Foundation 47.048 A program request to establish a learning center for computer assisted instruction. Program will use microcomputers and will provide instructional assistance for classes in biology, chemistry, physics and mathematics.	Approval	Request is for 50% matching funds to purchase 12 microcomputers. Program was reviewed by Computer Systems Management Division of Budget & Control Board without objections.

22348

DATE: May 18, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

22

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 BLC Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
3 S.C. State College	1-H24-027	615,805	10-1-81 9-30-83	307,902 50%	307,903 50%	0	0	0	U.S. Dept. of Education 84.001 Provide matching funds to provide structural changes necessary to comply with Section 504 of the Rehabilitation Act in S.C. State College Buildings. Total cost is \$1,247,534. However, this request is limited to \$615,805 over 3 year period. First year request is \$231,610.	Approval	Matching funds will come from funds available to agency from annual appropriations for Maintenance and Repair.
4 Univ. of S.C.	1-H27-090	85,000	9-1-81 8-31-82	0	0	85,000 100%	0	3	Mott Foundation - N/A To continue support from the Mott Foundation, Flint, Michigan to continue assistance to the Richland School District for parents to participate in the education of their children through an educational center established by the USC College of Educ.	Approval	This is the 5th year of this program funded by the Mott Foundation.

22349

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

22350

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel New	Personnel Cont.	Federal Agency/CFDA/ Program Purpose	GCR Unit Recommendation BLC Board/ GCR Subcommittee Recommendation	Remarks
5 Winthrop College	1-H47-024	2,940	3-1-81 3-1-82	2,940 100%	0	0	0	0	Sunbelt Human Advancement Resources, Inc. - 13.600 To provide assistance to Greenville-Pickens Headstart program in training headstart staff personnel in child development curriculum in order to receive their CDA creditation.	Approval	
6 MUSC	1-H51-043	608,144	10-1-81 9-30-82	577,737 95%	30,407 5%	0	3	10 S	Health Care Financing Admin. - HHS - 13.766 To establish a program in the Charleston County School District for school nurses to participate in a Child Health Appraisal Program for a period of 4 years in order to improve the valid referral to receiving physicians and to develop a system that will establish the minimum competencies for satisfactory performance of a school nurse job.	Conditional Approval	Provided new personnel are within authorized ceiling establish by Appropriations Act and the number of new positions will be reduced in accordance with the amount awarded if it is less than requested.



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
7 Education	1-H63-028	56,795,298	7-1-81 6-30-82	56,795,298 100%	0	0	0	29	U.S. Dept. of Education - 84.010 Dept. of Educ. requires an annual update of the plan for the local educational agencies and the state agency to carry out the provisions of PL-89-1313. These funds are provided for assistance to low- income families, institutionalized neglected children, children with special educational needs, children in adult correctional programs and education for the handi- capped.	Approval	State Dept. of Educ. funds administration of programs @ \$913,214 and sub-grants @ \$56,946,594 to 92 school districts and six state agencies (\$1,904,058).
8 Education	1-H63-029	3,575,004	7-1-81 6-30-82	3,575,004 100%	0	0	0	9	U.S. Dept. of Education 84.088 An annual plan update to U.S. Dept. of Education to provide funds for the administration of all plan programs, institutional materials and school library resources and competitive grants for innovative programs in support of public education.	Approval	\$225,000 will be utilized for state dep administration and \$3,350,004 is provided to local educational agencies.

DATE: May 18, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

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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.			
9 Education	1-H63-030	1,415,645	7-1-81 6-30-82	1,415,645 100%	0	0	0	4	U.S. Dept. of Education 84.002 To provide adult education programs to 798,556 adults 25 years of age and older with less than a 12th grade education. Program is conducted in conjunction with school districts, tech. education centers, Dept. of Corrections, Vocational Rehabilitation Centers and the opportunity school.	Approval	
10 Education	1-H63-035	828,209	10-1-81 9-30-82	670,458 81%	157,751 19%	0	0	21	USDA - Special Nutrition Program - 10.560 To continue the administrative support for the child nutrition programs in 92 school districts in S.C. Program provides the funds to the State Dept. of Education to defray the costs of program management and evaluation of the school lunch, breakfast, special milk and food service equipment program.	Approval	

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DATE: May 18, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

22353

DATE:

22

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.			
11 Education	1-H63-036	15,000	10-1-81 9-30-82	15,000 100%	0	0	0	0	U.S. Dept. of Education 84.006 The State Dept. of Educ. is eligible for a grant from the U.S Dept. of Education to provide technical assistance and dissemination services for grants provided to Richland School District and this represents 10% of the local school district award.	Approval	Funds will be used for research costs and publication costs.
12 Education	1-H63-037	181,968	10-1-81 9-30-82	181,968 100%	0	0	0	1	USDA - Nutrition Services 10.564 To continue funding support for training of lunchroom personnel, teachers and students in the areas of nutrition and health. Funds will be provided for workshops, training of teachers, classroom material and principals of nutritional food values training to food services personnel.	Approval	Contracts will be provided to USC for evaluation of training programs.



SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

DATE: May 18, 1981

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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 W&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
13 Education	1-H63-038	1,313,645	10-1-81 9-30-82	1,313,645 100%	0	0	0	0	USDA - Special Nutrition Program - 10.556 To continue the program funding for participating school districts to reimburse the cost for each additional 1/2 pint of milk served students either at meal time or during milk breaks to improve nutritional intake and health of elementary and secondary school students.	Approval	
14 Education	1-H63-039	57,478,566	10-1-81	56,468,738 98%	1,009,828 2%	0	0	0	USDA - Nutritional Program 10.555 To continue the S.C. school lunch program which provides reimbursement for all lunches served either free or at a reduced rate. Program is included in the reduction package prepared by the Reagan Administration and may be reduced by 16 million dollars if approved by Congress.	Approval	

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SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

DATE: May 18, 1981

State Agency	State Identifier	Amount	Time Period	Z of Fed. Funds	Z of State Funds	Z of Other Funds	Personnel		Federal Agency/CFDA/Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
18 Alcohol and Drug Abuse	1-J20-010	5,063	5-15-81 6-30-81	3,242 64%	360 7%	1,461 29%	0	.17	LEAA through Div. of Public Safety - 16.531 To provide training for adult corrections personnel in the delivery of services to persons with alcohol and drug problems.	Approval	
19 Alcohol and Drug Abuse	1-J20-011	2,000	6-1-81 6-30-81	500 25%	1,500 75%	0	0	0	National Endowment for the Arts through S.C. Arts Commission - 45.007 To provide for the presentation of a "psycho-social drama" as an educational tool in experiencing attitudes and behavior. The presentation will be made at the S.C. School of Alcohol and Drug Studies.	Approval	These funds were not included in agency's budget.
20 Commission for the Blind	1-L24-006	21,825	6-27-81 6-26-82	0	0	21,825 100%	0	1	Helen Keller Center for Deaf/Blind - N/A To assist in the identification of deaf/blind individuals and provide necessary rehabilitation services.	Approval	

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SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

22357

DATE: May 16, 1981

22

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	
21 Commission for the Blind	1-L24-007	6,800	5-1-81 6-30-82	0	0	6,800 100%	0	0	Blindcraft Revenue - N/A To provide work and supplemental income for homebound persons and training in horticulture for blind clients. The revenue generated from Blindcraft is used to cover the cost of supplies for the Blindcraft program.	Approval	These funds were not included in the agency's budget.
22 Youth Services	1-N12-020	7,500	6-1-81 6-30-81	0	0	7,500 100%	0	0	Sales of Assets - N/A To purchase new equipment and vehicles for the agency. These funds represent the revenue generated from the sales of surplus equipment by the Division of General Services. The revenue is returned to the agency to assist in the purchase of replacement equipment.	Approval	These funds were not included in the agency's budget.
23 Youth Services	1-N12-021	29,500	6-1-81 6-30-82	0	29,500 100%	0	0	0	Education Finance Act - N/A To support the educational program for clients in the institution. These funds are received through the provision of the Education Finance Act.	Approval	\$125,095 was projected in the 80-81 Budget. The \$29,500 represents the increase in funds received and raises the total funds received to \$154,595.

DATE: May 18, 1981

SUMMARY  
FEDERAL GRANTS AND CONTRACTS REQUESTS

DATE: May 18, 1981

State Agency	State Identifier	Amount	Time Period	% of Fed. Funds	% of State Funds	% of Other Funds	Personnel		Federal Agency/ CFDA/ Program Purpose	GCR Unit Recommendation B&C Board/ GCR Subcommittee Recommendation	Remarks
							New	Cont.			
24 Wildlife and Marine Resources	1-P24-003	276,000	7-1-81 6-30-82	207,000 75%	69,000 25%	0	0	4	U.S. Dept. of the Interior 15.611 To administer a statewide hunter education training program, to investigate hunting accidents and determine preventive measures, to reduce legal and ethical violations and to plan for the construction of public practice firing ranges.	Approval	
25 Dairy Commission	1-R32-001	1,740	6-1-81 6-30-81	0	0	1,740 100%	0	0	Assessment of Industry - N/A To provide operating funds for the Commission. These funds, which were generated by an assessment of the industry, were originally planned to be carried forward. However, it is anticipated that these funds will be needed to cover operating expenses.	Approval	These funds were not included in the operating budget for FY 80-81. They were identified in the budget as a carry forward.
26 Alcoholic Beverage Comm.	1-R48-001	18,000	6-1-81 7-1-81	0	0	18,000 100%	0	0	Sale of Assets - N/A To purchase new equipment to replace that which has been sold as surplus equipment through the Division of General Services. The revenue from the sales is returned to the agency to purchase new equipment.	Approval	These funds were not included in the agency budget.

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EXHIBIT

MAY 25 1981

NO. 3

STATE BUDGET &amp; CONTROL BOARD

22358

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 4

BLUE AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

4

## STATE BUDGET & CONTROL BOARD

Agency: (a) Educator Improvement Task Force  
(b) Highways and Public Transportation  
(c) State Library

Subject: Consultant Services Contracts

(a) Educator Improvement Task Force

Consultant: Planning, Development and Evaluation Associates, Inc.  
Tampa, Florida

Maximum Amount: \$75,000, 100% State funds

Time Period: 7/1/81 - 3/31/82

Purpose: To field test the Education Entrance Examination (basic skills) to include administration, data analysis, and reports to Task Force.

(b) Highways and Public Transportation

Consultant: Persons Brinckerhoff Quade & Douglas, Inc., Atlanta, Georgia

Maximum Amount: \$45,000; 90% federal, 10% state funds

Time Period: 6/15/81 - 12/15/81

Purpose: To prepare the Economic Impacts portion of the overall Environmental Impact Statement meeting federal and state requirements for proposed improvements to a section of I-85 in Spartanburg County.

(c) State Library

Consultant: Leslie Advertising Agency, Greenville, SC

Maximum Amount: \$16,800; 60% state funds, 40% federal funds

Time Period: 7/1/81 - 6/30/82

Purpose: To interpret the objectives and functions of the statewide library programs, plan and carry out a statewide program of publicity and public relations designed to publicize the library and its services to the general public, attempt to increase public understanding of library programs and awareness of services provided.

Board Action Requested:

Approve

Staff Comment:

Attachments:

Report on Consultants Forms plus attachments

22359



# EXHIBIT

State Auditor's Office

MAY 25 1981

NO. 4

## REPORT ON CONSULTANTS

STATE BUDGET & CONTROL BOARD

Name of State Agency: South Carolina Educator Improvement Task Force  
Date of Report: May 13, 1981 Prepared by: Josef F. Stulac II  
Name of Consultant or Firm: Planning, Development and Evaluation Associates, Inc.  
Address of Consultant or Firm: Box 17288  
Tampa, Florida 33682

### Terms of Consultant Contract:

Beginning Date: July 1, 1981 Ending Date: March 31, 1982  
Rate of Pay: \$\_\_\_\_\_ per: \_\_\_\_\_  
Maximum under this contract: \$ 75,000  
Source of Funds: State - 100% ( %); \_\_\_\_\_ ( %)

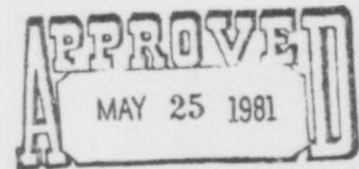
### Purpose or Goal of Consultant:

To field test the Education Entrance Examination (basic skills)  
to include administration, data analysis, and reports to Task Force

Was this individual or Firm selected through the Submission of Bids or Proposals?

Yes \_\_\_\_\_ No xx

If yes, how many Bids or Proposals were received? \_\_\_\_\_



STATE BUDGET AND CONTROL BOARD

*W. A. McInnis*

### Comments:

The Education Entrance Examination was developed by PDE during 1980-81;  
this contract would be for a continuation proposal.

Please return this form to: The South Carolina Educator Improvement Task Force  
1602 Bull Street  
Columbia, South Carolina 29201  
758-3977 (Mary Lee Maiden)

22360

The South Carolina Educator Improvement Task Force  
1602 Bull Street at Taylor, Columbia, South Carolina 29201, 803-758-3977

MAY 15 1981

Memorandum

To: Mr. William McInnis

From: Mary Lee Maiden

Date: May 13, 1981

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Would you please put the attached request for approval on the agenda for the next meeting of the Budget and Control Board? The proposal was approved by the Task Force on May 12, 1981; the funds will be provided in next year's appropriations.

Thank you for your assistance.

22361

# EXHIBIT

MAY 25 1981 NO. 4

STATE BUDGET & CONTROL BOARD.

## A PROPOSAL FOR CONDUCTING A FIELDTEST OF THE EDUCATION ENTRANCE EXAMINATION, 1981-82

PREPARED BY:

PLANNING, DEVELOPMENT & EVALUATION  
ASSOCIATES, INC.

APRIL, 1981

22362



# EXHIBIT

MAY 25 1981 NO. 4

STATE BUDGET & CONTROL BOARD

## A PROPOSAL FOR CONDUCTING A FIELDTEST OF THE EDUCATION ENTRANCE EXAMINATION, 1981-82

PREPARED BY:

PLANNING, DEVELOPMENT & EVALUATION  
ASSOCIATES, INC.

APRIL, 1981

CONTACT PERSON:

DR. TOM D. FREIJO, PRESIDENT  
PDE ASSOCIATES, INC.  
P.O. BOX 17288  
TAMPA, FLORIDA 33682  
(813) 932-3558

22363

### ASSURANCES

During the performance of this Contract, we will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicapping condition. We will take affirmative action to insure that qualified applicants are employed and that all relationships with employees are treated without regard to their race, color, religion, sex, national origin, or handicapping condition. Such actions shall include, but shall not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. We agree to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

*Tom D. Freijo*

\_\_\_\_\_  
Signature of Authorized Official  
Tom D. Freijo, Ph.D., President

\_\_\_\_\_  
April 13, 1981

\_\_\_\_\_  
Date

\_\_\_\_\_  
P.O. Box 17288

\_\_\_\_\_  
Address

\_\_\_\_\_  
Tampa, Florida 33682

22364

## 0.0 INTRODUCTION

This proposal is in response to a request from the South Carolina Educator Improvement Task Force for a proposal to fieldtest South Carolina's Education Entrance Examination and associated administration procedures. The proposer is Planning, Development & Evaluation Associates, Inc. For purposes of brevity, hereafter in this proposal Planning, Development & Evaluation Associates, Inc. will be referred to as "PDE" and the South Carolina Educator Improvement Task Force will be referred to as the "Task Force".

PDE recognizes the importance that the Task Force places upon the timely implementation of project plans, the selection and use of highly qualified personnel, the maintenance of stringent security measures, the development of high quality testing products, the careful review and field-testing of all testing products, and the careful organization and documentation of project deliverables. PDE places equal importance on each of these matters, and each is discussed in detail within the body of this proposal.

PDE offers a special combination of measurement/research expertise and curriculum/instruction expertise that has made PDE highly effective in conducting numerous projects to develop criterion-referenced minimum competency tests and to conduct statewide assessment programs. Members of PDE's staff have been highly involved in all phases of minimum competency criterion-referenced testing programs, including statewide programs at the college and university level. Their activities have included involvement in developing and reviewing minimum skills statements; developing and reviewing item specifications; developing, piloting, reviewing and formatting test items; analyzing test results to determine program needs and individual student remediation needs; conducting program reviews and recommending needed revisions; and developing instructional materials to be used in compensatory programs.

PDE has developed several thousand criterion-referenced multiple-choice test items designed to measure specific objectives. Members of the proposed project staff also have developed a series of criterion-referenced production writing tests and associated analytical scoring procedures, used at grades three, five, eight and eleven in Florida's Statewide Student Assessment Program, and developed the Essay component of Georgia's Regents' Testing program. In addition, PDE has conducted statewide fieldtest and pilot test administrations in the States of Florida, South Carolina and North Carolina.

An integral element in all of PDE's test development projects has been close coordination with clients to ensure a clear understanding of the intent of a testing program and the data needs of curriculum planners and other program managers. PDE enlists the expertise of experienced item writers who also are highly credentialed as subject area specialists. Item writers are thoroughly oriented to the special considerations in each project, and are trained to develop items consistent with the client's needs and evaluation purposes. As items are developed, they are subjected to careful and tedious internal review to assure sound curriculum and measurement integrity. Items are then pilot tested, scored, and subjected



to the curriculum and measurement review of the client and select review committees of the client's choosing. Consistent with the client's recommendations, revisions are effected and items are formatted into fieldtest booklets. Fieldtest projects involve careful preparation of all materials and careful coordination of all testing activities. All procedures are designed to ensure smooth and timely implementation, and are carefully documented to assure consistent implementation at all fieldtest sites.

PDE is aware that the Task Force desires to have input into the procedures employed in each major project activity to ensure that products not only are of high quality, but that the final products of the project are consistent with the purposes of the assessment program. PDE also wishes to maintain close contact with the Task Force throughout the project, and produce deliverables which optimally meet the Task Force's needs. It is PDE's intention that major project decisions be made in a forum in which the best current measurement procedures and the Task Force's needs are the bases for choosing among alternatives.

The remainder of this proposal contains the following sections:

- 1.0 Project Overview;
- 2.0 Work Plan;
- 3.0 Management Plan;
- 4.0 Personnel Qualifications;
- 5.0 Corporate Capability, Organization and Resources; and
- 6.0 Business Proposal.

## 1.0 PROJECT OVERVIEW

This section addresses the context of the proposed project and provides an overview of proposed project procedures.

### 1.1 Project Context

Prior to 1979 the commons portion of the National Teacher Examination was used to assess exit skills for graduates of South Carolina teacher training institutions; results from this exam were somewhat unsatisfactory. Because of concerns regarding the quality of teachers in the State of South Carolina, in its 1979 session the South Carolina General Assembly enacted legislation which had as its goal to establish a "fair and comprehensive program for the training, certification, initial employment and evaluation of public educators in the State." This legislation is set forth in the South Carolina Legislative Act No. 187. Legislative Act No. 187 also created an eighteen-member task force to oversee the development and implementation of all aspects of the legislation. This task force was given the name "South Carolina Educator Improvement Task Force".

Part of Act No. 187 requires assurances that prospective teachers have basic reading, mathematics, and writing skills. Some teacher preparation institutions in the State of South Carolina currently require prospective teachers to take and pass basic skills examinations at minimum proficiency levels to meet entrance standards. There is, however, no single set of instruments for use throughout the State to meet the intent of Act No. 187.

In August, 1980, the Task Force contracted with PDE to develop and validate the Education Entrance Examination (EEE), an exam that would become part of the admissions mechanism for applicants to teacher training programs in South Carolina. As a part of this contract, the following activities were conducted:

- 1) Deans from all of South Carolina's teacher training programs and representatives of the South Carolina Department of Education (SDE) teacher certification office were invited to meet with PDE's staff to discuss project goals and procedures and to offer their suggestions regarding project procedures. Each dean was asked to appoint a representative from his/her institution to serve on a Technical Advisory Committee (TAC), which would serve in an advisory capacity to PDE throughout the life of the project.
- 2) PDE met with the UPS to discuss the purpose of the testing program, and ways that results from the testing program could be used most beneficially. Based upon recommendations received during this meeting, PDE developed a tentative test results usage plan. Recommendations from this meeting were used in developing reporting formats for communicating test results to examinees, institutions, and to the SDE.

- 3) PDE met with the DSSS to discuss procedures for identifying skill domains. The DSSS provided PDE with recommendations regarding the content for skills domains. The DSSS then identified the skills to be measured within each domain. PDE developed item specifications for each skill. Items specifications were reviewed and approved by the DSSS.
- 4) PDE developed approximately 575 multiple-choice items to measure reading and mathematics skills, and developed four writing exercises to measure skills in the writing domain.
- 5) Items were first reviewed by the PDE staff, then by a large group of educators from South Carolina teacher training institutions. After appropriate item revisions had been made, items were formatted into test booklets for pilot testing.
- 6) Approximately 900 examinees from institutions throughout South Carolina participated in the pilot test. Rasch model procedures and traditional item analysis procedures were used to analyze pilot test results, and to judge the adequacy of items for inclusion in the final item pool.
- 7) Preliminary standard-setting activities were conducted with a group of twenty-nine educators representing teacher training institutions throughout South Carolina.
- 8) An item storage, updating and retrieval system currently is being developed to allow for systematic development of new items, and the monitoring of item performance throughout the life of the testing program. A plan also is being developed to maintain the testing program. This plan will address issues such as test administration, test scoring, test reporting, test security, test distribution, ongoing item generation, and receipt control.

Before beginning operational administrations, in 1982, the Task Force wishes to conduct a fullscale fieldtest of Form A and of all procedures and activities related to the continuation of the testing program. This fieldtest will have as its goals to:

- 1) Try out all aspects of the testing program, including reporting forms preparation and distribution;
- 2) Update all item calibrations;
- 3) Try out the application of tentative passing standards; and
- 4) Familiarize institutions regarding the operational aspects of the testing program prior to actual operational administrations.



It is important to note the distinction between the previous basic skills project and the proposed one. The previous project focused on developing and pilot testing items. The proposed project focuses on fieldtesting the entire testing program.

## 1.2 Overview of Project Procedures

PDE will convene the DSSS to reconsider a limited number of "non-fitting" skills. Based upon the results of that meeting PDE will eliminate, replace, or restructure those skills.

PDE will develop an average of two (2) new items for each reading skill and mathematics skill. These new items will be imbedded in the first test form (Form A), for initial fieldtesting. As with all items developed for the EEE, they will be subjected to a number of careful reviews, prior to and after fieldtesting.

Items from the Pilot Test will be used to develop Form A of the EEE. Form A will contain three carefully selected items for each reading skill and each mathematics skill. PDE will revise all other testing materials, as needed, and will print all materials necessary to conduct the fieldtest.

All teacher training institutions in South Carolina will be invited to participate in the fieldtest. Each participating institution will be asked to: encourage student participation; provide an examination site, if requested; and provide one individual to score writing samples. In return, they will receive a complete set of institutional reports, be apprised of all emergent operational procedures in the testing program, and receive free training for one individual in scoring writing samples. Each examinee also will receive a complete individual report.

PDE will secure fieldtest administrators and proctors, will train them, and will supervise their work. For security reasons, test administrators and proctors will be selected from local school systems. Tests will be administered at approximately 15 test sites throughout the State.

PDE will train scorers and supervise the scoring of writing samples by South Carolina educators. PDE also will score all machine-scorable answer sheets. A full complement of reports will be developed and distributed.

Based upon fieldtest results, PDE will update all previous item calibrations, calibrate new items, and identify items for inclusion in Form B.

## 2.0 WORK PLAN

This section of the proposal presents detailed descriptions of each of the major proposed project activities.

### 2.1 Skills Review

This section describes the rationale and procedures for reviewing the skills developed under the previous contract.

2.1.1 Rationale. One of the strongest features of an integrated test development model such as the one established for South Carolina's EEE is that it provides for the integrated use of new information throughout developmental activities. Pilot test data appear to substantiate the significant combined expertise of the DSSS in identifying skills and desirable performance levels for the examinee group. Data indicate that the vast majority of the skills areas and item difficulty levels recommended by the DSSS will function well in identifying masters and non-masters. As is not uncommon in developmental efforts, however, there appear to be a few cases for which review and possible revision either to skills or to specifications for difficulty level is indicated.

When all or nearly all examinees correctly respond to all or nearly all items in a single skill area, there may be a question as to whether the skill is appropriate for testing with the particular examinee group, or whether the difficulty level specified for the item is appropriate for the examinee group. Further, the Rasch model treats these items as "non-fitting" items. They are "non-fitting" in the sense that they defy Rasch procedures for calibrating items and, therefore, cannot become a functioning part of an item pool.

PDE proposes that the DSSS be reconvened to review the Pilot Test performance on all skills and elect any one of three basic options to address the phenomenon of the non-functional skills:

1. Eliminate the non-functional skills;
2. Replace the non-functional skill(s) in question with a more discriminating skill(s); or
3. Retain the skill(s), but revise the item specification(s) to call for developing items at a higher level of difficulty.

2.1.2 Procedures. Before new item development activities begin, and before the first operational test form is constructed, PDE will convene the DSSS to consider the skills in question. Should the decision of the DSSS call for developing new items, PDE will develop the new items and include them as experimental items on Form A.

2.2 Item Development

This section describes the rationale, personnel, and procedures related to the item development process.

2.2.1 Rationale. All on-going testing programs require on-going item development to provide new items for new future forms. PDE will develop an average of two new items per skill, in mathematics and in reading. These new experimental items then will be fieldtested as part of an operational administration and either incorporated into the pool of usable items or flagged for revision and further fieldtesting. (Experimental items will not be used in calculating examinee scores.) This procedure provides for on-going item development and fieldtesting of items at minimal cost and with minimal obtrusiveness.

2.2.2 Personnel. The need for a broad level of input in developing tests is sometimes confused with the use of a broad range of people in actual item writing. It is essential to have broad involvement in determining the uses to which test results will be put, in establishing skills, and in reviewing items. Item writing, however, is best accomplished by highly experienced item writers who also are highly expert in the content area for which items are being written. PDE will use item writers from its cadre of item writing consultants who are highly experienced item writers, highly proficient in the skill areas for which they write items, and who are familiar with university students.

2.2.3 Procedures. PDE will conduct a one-half day item writer orientation session with its item writers. The orientation session will include the following topics/activities:

- a. General Orientation to the Project;
- b. Delineation/Discussion of Procedures/Responsibilities for Maintaining Test Security;
- c. Discussion of Purposes/Characteristics of South Carolina's EEE;
- d. Introduction to Project Item Specifications;
- e. Discussion of characteristics of successful Pilot items;
- f. Item Writing Responsibilities;
- g. Practice Writing Session;
- h. Review/Discussion of Practice Items; and
- i. Logistics for Completing Item Writing Task.

Following the item writer orientation session, all writers will be given the skills and other materials for all items they are to write, and will write their respective items independently. Each item writer will complete approximately one-third of



the required items one week after the writing assignments have been made. The remaining items will be completed three weeks following the original assignment. As items are completed they will be subjected to a preliminary review by PDE's staff to detect obvious flaws or weaknesses, and preliminary revisions will be made, as needed.

### 2.3 Review of Items

This section addresses the rationale, procedures, personnel and materials to be used in reviewing test items.

- 2.3.1 Rationale. It is ultimately important that test items be reviewed by persons who are intimately familiar with the skills being tested, the purpose of the testing program, the nature of the prospective examinees, and the context in which the testing program will operate. It is proposed, therefore, that the items be reviewed by groups of South Carolina educators.

It is also important that the review process be structured, that it address all of the essential characteristics of good items, and that it be facilitated by the use of validated review procedures and materials. PDE has considered all of these issues in preparing the item review plan.

- 2.3.2 Procedures. Items will be reviewed in two stages. The first stage review will be conducted by PDE. This review will focus on the relationship between the items and the specifications, and the technical adequacy of the items. The second stage review will be conducted by the IRS. This review will focus on content fidelity, geographic and social fidelity, and item bias. PDE will use a set of review forms developed, validated, and used extensively in numerous test development projects. PDE will plan and direct the second-stage review, using its standard review procedures, and will reimburse all reviewers for travel expenses.

When these reviews are completed, PDE will revise the items in accord with review comments. When all test items have been reviewed and revised, PDE will conduct a readability review of each test item, using the Homan Readability Formula, a formula especially designed to assess the readability of short language constructs such as those typically found in test items. The Homan Formula provides for a sentence-by-sentence analysis of all test item language constructs. The resulting data facilitate meticulous readability adjustments, where such adjustments are indicated. The readability analysis will be conducted by Dr. Susan Homan, developer of the Homan Readability Formula.

#### 2.4 Preparation of Form A

As a part of the first developmental contract, approximately 575 multiple-choice test items were developed for reading and mathematics and four stimuli were developed for writing. Analyses conducted after Pilot Testing indicated that approximately 450 of the multiple-choice items appropriately fit the statistical model used to calibrate the items. From this pool of 450 items, three items have been selected for each skill area in mathematics and reading, for use on Form A (Fieldtest Form).

Pilot Test results indicated that score distributions were very similar for responses elicited by all four writing stimuli. The distributions acquired by two of the stimuli, however, appear to indicate that these prompts were slightly more effective than the other two in eliciting an essay from examinees. One of these two stimuli has been identified for use in Form A (Fieldtest Form).

Items selected for use in Form A will be formatted in two test booklets. One booklet will contain the reading subtest and the mathematics subtest; the other booklet will contain the writing stimulus and two lined pages where examinees will write an essay. Sufficient copies of Form A booklets will be printed to accommodate the fieldtest.

PDE will update the Pilot Test administrators' manual for use in administering the fieldtest. The administrator's manual is clearly and sufficiently organized to facilitate use by fieldtest administrators. The manual includes an introduction to the test, general instructions, specific instructions for administering, gridding procedures, and necessary identification codes. The manual also includes instructions for security, storage and management of all materials. Sufficient copies will be printed to accommodate the fieldtest administrations.

An answer sheet has been formatted for Form A. PDE will print sufficient answer sheets to accommodate the fieldtest administrations.

PDE will prepare a comment sheet to be completed by fieldtest administrators during the fieldtest. The comment sheet will elicit information from administrators with regard to matters such as: clarity of overall procedures, clarity of overall test directions, difficulties encountered in the fieldtest situation, and the minimum and maximum time required by examinees to complete the fieldtest exam.

#### 2.5 Administration Site Selection

This section addresses the rationale and procedures associated with the selection of administration sites.

2.5.1 Rationale. At the current stage of the program's development, it is possible to fieldtest the entire range of operational test activities, including operational test form administration, scoring of writing samples in South Carolina, and reporting. This kind of tryout has obvious advantages for identifying potential problems with any aspect of the program. Further, it is advantageous to South Carolina teacher training institutions in that they can receive information about the proportion of examinees who are likely to pass or fail the examination when operational administrations begin the following year.

2.5.2 Procedures. All institutions will be invited to participate in the fieldtest. Incentives to participate include:

1. Becoming familiar with actual operational procedures;
2. Receiving information about institutional performance in comparison with state average performance;
3. Having institutional representatives trained to holistically and analytically score writing samples;

As an incentive to participate, students will receive individual reports about their performance.

As a participating institution, each institution will agree to:

1. Strongly encourage students to participate in the fieldtest (no fee will be charged);
2. Provide an examination site;
3. Provide one individual for three days to score writing samples in Columbia. (PDE will reimburse the expenses of scorers.)

Testing centers will be established to accommodate all institutions in the fieldtest. These centers will be chosen so that no examinee will have to travel more than 25 miles from his/her institution to the fieldtest site.

PDE will assist the Task Force staff in identifying and including T & I teachers in the fieldtest.

## 2.6 Fieldtest Administration

This section addresses matters related to selecting sites, administrators and proctors, and distributing and collecting testing materials.



#### 2.6.1 Make Fieldtest Site Arrangements

PDE will contact each participating institution's representative, and will orient each contact person regarding the arrangements necessary to conduct the fieldtest in his/her institution. The contact person will be asked to confirm the number of students that his/her institution expects to be involved in the fieldtest, and to provide PDE with updates of these counts as they become more concrete. Prior to printing and packaging materials, PDE expects to have an accurate estimate of the number of examinees who will be participating at each fieldtest site.

PDE will discuss with each contact person a set of specifications regarding arrangements to accommodate the administration of the fieldtest. It will be the responsibility of each participating institution to make onsite arrangements and to notify all examinees of the arrangements being made to administer the fieldtest at the institution.

#### 2.6.2 Secure Fieldtest Administrators

PDE, in consultation with the Task Force, will select an administrator for each fieldtest site. These administrators will be selected from testing and evaluation departments in South Carolina school districts near the fieldtest institutions. Shortly after securing commitments from all administrators, PDE will orient them to the nature of the project and to their general responsibilities in connection with the project.

#### 2.6.3 Secure Fieldtest Proctors

Each fieldtest administrator will be asked to select a group of proctors to work with him or her. The administrators will be asked to select only individuals who have prior experience in group test administration and who have exhibited a high level of professionalism in these activities. Proctors will be practicing school teachers or counselors in those districts from which the fieldtest administrators are selected. One proctor will be used for every 30 examinees in excess of the first 30 examinees at each fieldtest site.

PDE will arrange with the school districts where proctors are employed to have the proctors released for the fieldtest administration. PDE will directly reimburse each district the cost of hiring substitutes for those teachers.

#### 2.6.4 Train Fieldtest Administrators

PDE will conduct a one-day training session for fieldtest administrators. The topics in the training session will include:

1. Background of the examination;
2. Test security;
3. Overview of fieldtest procedures;
4. Training of proctors;
5. Receipt of test materials;
6. Administration procedures;
7. Completion of comment sheets ; and
8. Return of test materials.

#### 2.6.5 Package and Deliver Fieldtest Materials

For each fieldtest site, a sufficient number of fieldtest booklets to accommodate the number of registered examinees will be counted. A ten percent overage will be added to the count for each site. This overage will accommodate matters such as a blank or misprinted page in a test booklet. A unique number in series will be stamped on each booklet, using a unique series for each fieldtest site.

The test booklets for each fieldtest site will be packaged with an adequate supply of answer sheets, comment sheets, and an administration manual. PDE will verify, according to a checklist for each site, that all materials for that site have been packaged appropriately, and that all assigned serial numbers are included. Each package also will contain a checklist of all materials included in the package.

Fieldtest materials will be shipped to fieldtest administrators for arrival at least three days prior to the scheduled fieldtest date. PDE will deliver the fieldtest packages via United Parcel Service. Fieldtest administrators will be instructed to call PDE upon receipt of the test materials package.

Upon receipt of the test materials package, each fieldtest administrator will be instructed to review the enclosed materials, and to verify the materials and all assigned serial numbers according to the enclosed materials checklist. In the event that any of the fieldtest packages have not been delivered two days prior to the scheduled fieldtest, or that materials are omitted from these packages, special arrangements will be made to have an additional test package delivered to the administrator at that fieldtest site.



#### 2.6.6 Test Administration

Administrators will orient fieldtest proctors forty-five minutes prior to the scheduled beginning of the exam. Each administrator will be responsible for distribution of materials, overall supervision of the fieldtest, and receipt of all distributed testing materials.

Form A will contain eighty-seven (87) multiple-choice operational mathematics items, sixty (60) multiple-choice operational reading items, and will contain a stimulus for one essay. In addition, there will be 20 fieldtest mathematics items and 20 fieldtest reading items, for a total of 107 mathematics items, 80 reading items, and one essay item. It is expected that examinees will spend approximately one hour and thirty minutes taking the Reading Subtest, two hours taking the Mathematics Subtest, and forty-five minutes taking the Writing Subtest. The test will be administered in three parts and there will be a 15 minute break between each Subtest. Actual total testing time will be approximately five hours.

Before any examinee is excused, the fieldtest administrator will ensure that all materials have been collected from the examinee.

At some fieldtest sites, members of PDE's staff and the Task Force staff will observe the fieldtest administration to note any potential difficulties not assessed by the comment sheets.

#### 2.6.7 Return Fieldtest Materials

After checking all materials against the materials checklist, the fieldtest administrator will package all materials according to specifications provided by PDE. These materials will be shipped by the fieldtest administrators directly to PDE. PDE will verify, according to the checklist for each site, that all materials for that site have been returned, and that all assigned serial numbers are included.

When the fieldtest administrator has completed all responsibilities related to the fieldtest, each administrator will complete the Administrator Fieldtest Comment Sheet. Each administrator will mail the completed form directly to PDE.

PDE will reimburse all fieldtest administrators for all project-related travel and will provide them an honorarium for their work.

### 2.7 Scoring and Scanning

This section addresses the scoring of writing samples, and the scanning and scoring of answer sheets for the Mathematics and Reading Subtests.



### 2.7.1 Scoring Materials for Writing Subtest

PDE will develop the following materials to be used to score the Writing Subtest:

- a. Holistic Rating Form;
- b. Analytic Rating Form; and
- c. Scorer Training Manual.

The Scorer Training Manual will include the following:

- a. Background of the Writing Subtest;
- b. Discussion of Holistic Domain Scoring;
- c. Discussion of Analytic Scoring;
- d. Example of the Holistic Score Scale;
- e. Example of the Analytic Score Scale;
- f. Discussion of each Holistic Scale value, with one or two illustrations from Pilot Test examinee responses; and
- g. Examples of Pilot Test examinee responses scored on the Analytic Scale.

Copies of these materials sufficient to conduct all scoring activities will be produced by PDE.

### 2.7.2 Scoring Personnel for the Writing Subtest

Each institution that participates in the fieldtest will be invited to send one representative to serve as a Writing Subtest scorer. This person will receive comprehensive training in both Holistic and Analytic Scoring. It is expected that at least twenty (20) persons will receive training and will serve as scorers.

The Writing Subtest Scoring Trainer will be a member of PDE's staff who is a credentialed writing specialist and who is an experienced scoring trainer. Two additional PDE staff members will serve as Scoring Leaders for the training and scoring activities. In addition to these personnel, PDE will provide a staff of data specialists who also will assist with scoring activities.

### 2.7.3 Scoring of Writing Subtests

One of the colleges or universities located in Columbia will be asked to volunteer space to be used for Writing Subtest scoring activities. PDE will coordinate site arrangements with the volunteering institution and with the Task Force Staff.

All scoring personnel, including Scoring Leaders, Data

Specialists, and Scorers, will be trained by PDE. Each paper will be scored by two readers, each unaware of the other's rating. Those papers on which the two ratings for the same domain are non-contiguous (differ by more than one point) will be read by a Scoring Leader. PDE will conduct the scoring sessions with a staff-to-scorer ratio of approximately one staff person for each set of ten (10) scorers.

Before scoring activities begin in South Carolina, PDE will prepare all papers by counting them into sets of twenty-five (25), each. PDE will develop a rating form to be used during scoring activities. The rating form will be color-coded to indicate whether it is to be used by the first scorer or by the second scorer. A third color-coded form will be used to record ratings for those papers on which the first two ratings are non-contiguous. Each rating form will be pre-coded with twenty-five (25) student numbers. Rating forms used to assign first scores will be designed to accommodate three sets of scores for each student. The other two rating forms will be designed to accommodate one set of ratings, each. Each set of twenty-five (25) booklets will be packaged with its respective three rating forms. Student numbers will be located in exactly the same position on each of the three rating forms, and the order of numbers will correspond to the order in which student samples are stacked. This procedure will minimize the possibility of assigning a rating to the wrong paper, and will facilitate quickly checking to ensure that transcription errors are not made during the scoring sessions.

After each paper in a set of twenty-five (25) has been rated independently by two scorers, the second rating for each paper will be transcribed to the form with the first rating. Papers with non-contiguous discrepant scores will be identified, and will be read and scored by a Scoring Leader. The third rating then will be transcribed to the rating sheet already displaying the first and second scores. The master rating sheet will again be checked for transcription errors.

As data sets become complete for each set of twenty-five papers, Data Specialists will key in the eight scores assigned to each examinee (one score in each of four domains, given by each of two scorers). Total scores will be computed for each examinee. As total scores become available, examinees whose total scores are below the recommended cut-score will be identified and their papers will be flagged for Analytic Scoring.

All papers on which the total holistic score is below the cut-score will be scored analytically by one scorer. The results of this scoring will be used to identify the strengths and weakness of failing students.

Following the completion of all scoring activities in

Columbia, all materials, including examinees' papers, will be shipped to Tampa, where a final data check will be conducted. Final ratings then will be gridded in on the appropriate answer document, each document being checked against its corresponding writing sample, by name and student number. Answer documents then will be shipped to ECS, in Trenton, New Jersey, for scanning and reporting.

#### 2.7.4 Machine Scoring

Answer documents for the Mathematics, Reading, and Writing Subtests will be counted and the count compared with the count reported by each participating institution. Each document will be checked to ensure that all codes are correct and appropriate. All documents then will be shipped by secure land courier to ECS, in Trenton, New Jersey. The count for each shipment will be communicated to the Scoring Service Manager at ECS, both by Express Mail and by telephone.

Answer documents will arrive at the ECS Receiving Department, where shipments will be logged in and actual counts checked against reported counts. From there, answer documents will be sent to the Data Preparation Department, where counts will be checked again and documents will be cleaned and prepared for scanning. Answer documents then will be sent to the Data Capture Department for scanning. The UNISCORE<sup>TM</sup> Program will be used. This program provides the capability of scoring approximately forty (40) different achievement and aptitude tests.

Once answer documents have been scanned, data will go to the Computer Operations Department, where an IBM-360 will be used to process all data and produce requested reports.

When all reports have been generated they will be sent to the Distribution Department, where they will be bound and checked against computer-generated packaging slips to ensure that all data are complete. All reports will be shipped with Acknowledge of Receipt Slips. As Acknowledge of Receipt Slips are returned to ECS, they will be checked against shipment logs.

Fifteen (15) days turnaround time is guaranteed from the time that data are ready to process. Data files will be maintained for ninety (90) days; answer documents will be returned to PDE, where they will be stored for one year.

#### 2.8 Reporting

Analyses will be conducted to generate the following reports:  
a. Individual Test Score Report;



- b. Student Roster;
- c. Institution Test Performance;
- d. Institution Summary Report;
- e. Institution Historical Report;
- f. Statewide Content Sub-Area Report; and
- g. Statewide Test Performance Patterns and Historical Report;

## 2.9 Item File Updating

Based upon the results of the fieldtest administration, several item file updates will be effected:

- 1) Item calibrations for all items used in the previous Pilot Test will be updated;
- 2) Item calibrations for all new items will be established;
- 3) Non-fitting items will be flagged for revision and further fieldtesting; and
- 4) Items will be selected for the next form (Form B).

## 2.10 Security and Confidentiality

PDE has completed a number of contracted projects which included the development and fieldtesting of secure test materials, and protecting the confidentiality of information. Consequently, PDE is acutely aware of the necessity for implementing procedures to assure test security and to protect the identity of participating institutions and individuals.

The Contractor's test security and confidentiality plan will include the following elements:

- 1. No individual other than the project personnel specified in this proposal will have access to any of the item specifications or items.
- 2. All of the individuals who will be working on the proposed project also have worked on other secure test development projects. All project personnel will be reoriented at the beginning of the project with regard to the need for test security and all specific test security procedures. All individuals who will have access to the examination materials for any reason whatsoever will be required to sign a compliance form indicating that they will not release or use the specifications or items in any unauthorized manner.
- 3. Examination materials will be kept in a limited access, specially-keyed designated secure storage area in the PDE suite of offices. A checkout system will be instituted for removing examination items from the secure storage area. All develop-

mental work on the examination items and specifications will take place only under the direct supervision of PDE.

4. All copies of exam materials will be serially numbered by PDE, and any distribution of the specifications and/or items will be accompanied by a packaging ticket which details the materials and their serial numbers. Each person involved in the distribution and collection processes will be responsible for assuring that all numbered test materials are present at each point in the distribution and collection process.
5. PDE will obtain a signed security document from each individual who will have access to the exam materials. The security document will contain an agreement that the individuals will not reveal in any manner, to other individuals, the item specifications, exam items, paraphrases of the exam items, or close approximations of the exam items to which they have access.
6. All materials produced during the developmental stages of the project will be saved, including drafts, mistyped pages, notes, and any other documented materials which reflect the nature or content of an examination item specification or item. These materials will be stored in the secure storage area.
7. At or near the termination of the project, PDE will, at the Task Force's discretion, either destroy all remaining materials or ship all developmental and operational test materials to the Task Force.
8. PDE will keep a list of all people who saw any of item specifications, test items, or developmental materials, along with copies of all compliance forms and security document forms, to be delivered to the Task Force at the termination of the project.
9. PDE will minimize the likelihood of any test security leak by limiting access to the test material for typing purposes to one project secretary. Internal copies of developmental materials will be reproduced by PDE with its reproduction facilities located in its suite of

offices. The proposed printing sub-contractor has experience in maintaining security procedures for secure test materials. Nonetheless, at the beginning of the project, PDE will meet with the president of the printing firm to discuss specific test security procedures. The agreement between PDE and the printer will be documented in the form of a legal contract obliging the printer to follow all specified test security procedures.

10. PDE will obtain, from each institution participating in the fieldtest, a list of the names of all students to be admitted to the fieldtest session. The names of examinees will be used for purposes of admission to the fieldtest sessions, to verify that only authorized individuals are present during the testing session.



### 3.0 MANAGEMENT PLAN

This section presents discussions of project personnel requirements, job descriptions, and a time/task analysis. The qualifications of proposed project personnel are described in Section 4.0, and vitae of key project personnel are provided in Appendix A.

#### 3.1 Personnel Requirements

The Project Director will be Dr. Tom D. Freijo, PDE's President. Mrs. Kathryn K. Freijo, PDE's Vice President for Program Development, will be the Project Coordinator. Dr. R. Robert Rentz will function as the Rasch Model Specialist. Dr. Stanley Bernknopf will be responsible for preparing interpretive material for all performance reports.

A detailing of total project personnel requirements is as follows:

- a. Project Director, 67 days;
- b. Project Coordinator, 60 days;
- c. Rasch Model Specialist, 16 days;
- d. Interpretative Materials Designer, 15 days;
- e. Item Writers, as follow:  
Mathematics, 4 days;  
Reading, 4 days;
- f. Scoring Leaders (2), 7 days each
- g. Administrative Assistant, 49 days;
- h. Graphics Artist, 1 day;
- i. Layout Artist, 2 days;
- j. Readability Expert, 3 days.
- k. Fieldtest Administrators (10), 3 days each;
- l. Fieldtest Proctors (30), 1 day each; and
- m. Clerical Assistant, 50 days.

#### 3.2 Job Descriptions

Job descriptions of central project personnel are as follows:

Project Director (T. Freijo). The Project Director will be responsible for the following activities:

- a. Overall planning, operation, and control (20)\*;
- b. Meeting with Task Force (12);
- c. Arranging for test administrations (10);

\*Numbers in parentheses represent estimated number of work-days per activity.

- d. Selecting and training test administrators (5);
- e. Overseeing one test administration (2);
- f. Coordinating data reduction/analyses (10);
- g. Participating in review of analyses (3); and
- h. Preparing Project Yearly Report (5);

Project Coordinator (K. Freijo). The Project Coordinator will be responsible for the following activities:

- a. Meeting with DSSS (4);
- b. Overseeing item development (4);
- c. Conducting preliminary item review (2);
- d. Meeting with IRS (3);
- e. Final production of all new items (5);
- f. Overseeing preparation of Test Form A (5);
- g. Revising administration manual (2);
- h. Overseeing printing of all testing materials (3);
- i. Designing writing sample scoring sessions (6);
- j. Training Scoring Leaders (2);
- k. Conducting scoring sessions (4);
- l. Preparing writing data for analysis (2);
- m. Reviewing analysis results--selecting items for next form (3);
- n. Overseeing reports preparation (5);
- o. Overseeing reports distribution (5); and
- p. Participating in preparation of Project Yearly Report (5).

Rasch Model Specialist (Rentz). The Rasch Model Specialist will be responsible for the following activities:

- a. Designing Form A item sampling plan (2);
- b. Analyzing Form A results (5);
- c. Updating all item calibration statistics (3);
- d. Making presentation to Task Force (2); and
- e. Writing sections of final report (4).

Administrative Assistant (J. Ritter). The Administrative Assistant will be responsible for the following activities:

- a. Updating the item image file (15);
- b. Preparing project correspondence (10);

- c. Reimbursing South Carolina participants (3);
- d. Supervising materials packaging (5);
- e. Supervising materials distribution (4);
- f. Supervising materials receipt (3);
- g. Maintaining project records (3); and
- h. Preparing project reports (6);

### 3.3 Time/Task Analysis

This section identifies the tasks referred to in Section 3.0 of this proposal, and also identifies the responsible person or agency and target dates for beginning and ending each task. Figure 3.1 presents those data.



FIGURE 3.1  
TIME/TASK ANALYSIS

<u>TASK</u>	<u>RESPONSIBLE PARTY</u>	<u>TARGET DATE FOR BEGINNING</u>	<u>TARGET DATE FOR COMPLETION</u>
1. Identify participating institutions	Task Force/PDE	1 JUL 81	30 JUL 81
2. Arrange DSSS Meeting	K. Freijo	1 JUL 81	10 JUL 81
3. Meet with DSSS	K. Freijo	14 JUL 81	17 JUL 81
4. Revise/restructure/eliminate skills	K. Freijo	18 JUL 81	25 JUL 81
5. Orient Item Writers	K. Freijo	26 JUL 81	28 JUL 81
6. Write first one-third of items	Item Writers	28 JUL 81	4 AUG 81
7. Identify test Administrators	T. Freijo/Task Force	1 AUG 81	30 AUG 81
8. Conduct first-stage review of first one-third of items	K. Freijo/T. Freijo	4 AUG 81	7 AUG 81
9. Write remainder of items	Item Writers	8 AUG 81	18 AUG 81
10. Conduct first-stage review of remainder of items	K. Freijo/T. Freijo	19 AUG 81	23 AUG 81
11. Revise items	K. Freijo/Item Writers	23 AUG 81	30 AUG 81
12. Report Progress to Task Force	T. Freijo	AUG 81	AUG 81
13. Orient test Administrators	T. Freijo	1 SEP 81	8 SEP 81
14. Conduct second-stage item review	IRS/K. Freijo	1 SEP 81	9 SEP 81
15. Revise items	K. Freijo/Item Writers	10 SEP 81	15 SEP 81
16. Conduct readability study	Homan	16 SEP 81	21 SEP 81
17. Adjust item readability	K. Freijo	22 SEP 81	25 SEP 81
18. Format new fieldtest items	K. Freijo	25 SEP 81	9 OCT 81

FIGURE 3.1 (Continued)

## TIME/TASK ANALYSIS

<u>TASK</u>	<u>RESPONSIBLE PARTY</u>	<u>TARGET DATE FOR BEGINNING</u>	<u>TARGET DATE FOR COMPLETION</u>
19. Provide count of examinees	Fieldtest institutions	1 OCT 81	10 OCT 81
20. Prepare test materials for printing	Ritter/K. Freijo	9 OCT 81	16 OCT 81
21. Finalize fieldtest sites	Task Force/T. Freijo	13 OCT 81	20 OCT 81
22. Print test materials	Printer	17 OCT 81	31 OCT 81
23. Select proctors	Test administrators	21 OCT 81	4 NOV 81
24. Identify writing scorers	K. Freijo/Task Force	21 OCT 81	4 NOV 81
25. Count/Check/Package test materials	Ritter/Clerical	1 NOV 81	5 NOV 81
26. Prepare writing scoring materials	K. Freijo	5 NOV 81	30 NOV 81
27. Report progress to Task Force	T. Freijo	NOV 81	NOV 81
28. Train test administrators	T. Freijo	5 NOV 81	9 NOV 81
29. Ship test materials	Ritter/Clerical	6 NOV 81	7 NOV 81
30. Administer Form A	Test Administrators	12 NOV 81	18 NOV 81
31. Package/return test materials	Test Administrators	19 NOV 81	21 NOV 81
32. Check/organize test materials	Ritter/clerical	21 NOV 81	27 NOV 81
33. Prepare reports interpretive materials	Bernknopf	23 NOV 81	14 DEC 81
34. Train Scoring Leaders	K. Freijo	27 NOV 81	5 DEC 81
35. Score Writing Subtest	Scorers	7 DEC 81	11 DEC 81
36. Organize writing results	K. Freijo/Ritter/Clerical	12 DEC 81	18 DEC 81
37. Report progress to Task Force	T. Freijo	DEC 81	DEC 81
38. Scan answer sheets/produce reports	ECS	19 DEC 81	8 JAN 82

FIGURE 3.1 (Continued)  
TIME/TASK ANALYSIS

<u>TASK</u>	<u>RESPONSIBLE PARTY</u>	<u>TARGET DATE FOR BEGINNING</u>	<u>TARGET DATE FOR COMPLETION</u>
39. Distribute reports	ECS	9 JAN 82	13 JAN 82
40. Update item statistics file	Rentz	14 JAN 82	28 JAN 82
41. Update item image file	K. Freijo/Ritter	29 JAN 82	12 FEB 82
42. Report Progress to Task Force	T. Freijo	JAN 82	JAN 82
43. Select Form B items	K. Freijo/Rentz	13 FEB 82	20 FEB 82
44. Report Progress to Task Force	T. Freijo	FEB 82	FEB 82
45. Prepare Project Yearly Report	T. Freijo/K. Freijo/Rentz	21 FEB 82	7 MAR 82
46. Deliver Project Yearly Report	T. Freijo	15 MAR 82	15 MAR 82



#### 4.0 PERSONNEL QUALIFICATIONS

This section summarizes the qualifications of key project personnel. Vitae of key project personnel are provided in Appendix A.

##### 4.1 Key Project Personnel

Project Director. Dr. Tom D. Freijo, President of PDE Associates Inc., was formerly the Director of the Instructional Design and Evaluation Applications (IDEA) Center, and Professor of Educational Measurement and Research in the University of South Florida (USF) College of Education.

Dr. Freijo has had major responsibility for numerous projects similar to the proposed project. Among those projects are the following:

Director of the project to develop and fieldtest the Florida Minimal (Production) Writing Skills Tests and associated analytic scoring procedures for the Florida Department of Education;

Director of a project to score analytically and report the results of the 1978-79 Florida Minimal (Production) Writing Skills Assessment;

Director of a project to develop 240 basic skills items for Florida's Statewide Student Assessments Tests;

Director of a project to develop 240 items for the Florida Statewide Student Assessment Test, Part II;

Director of the development of the Career Achievement Test Series, which was used in the evaluation of Career education programs by several school districts throughout the State of Florida;

Director of a project in which a set of secondary-level basic skills tests was developed for use in the Hillsborough County, Florida, testing program;

Director of a project to critique all basic skills item specifications used in the Florida Statewide Assessment Program;

Director of a project to empirically validate the use of different presentation modes with SLD students taking Florida's Statewide Student Assessment Tests;

Director of a project to assess the teacher in-service training needs in the Fifth Congressional District of the State of Louisiana;

Team Leader for the bias review of more than 700 items used to develop the item pool for Florida's Teacher Certification Examination;

Technical Specialist in a project to develop 500 basic skills items for the Florida Statewide Student Assessment Program.

Director of a project to develop and pilot test basic skills measures for South Carolina's Education Entrance Examination for teacher training program candidates.

Director of a project to fieldtest prompts and scoring procedures and to conduct extensive analyses of results for the North Carolina Minimum Writing Competency Assessment.

Dr. Freijo has co-authored three test series: the Nutrition Education Assessment Series; the Basic Skills Assessment Series, English Edition; and the Basic Skills Assessment Series, Spanish Edition. He also has co-authored two publications related to test development: A Guide to Developing Local Criterion-Referenced Tests, and A Guide to Writing Items for Local Criterion-Referenced Tests.

Throughout his professional career, Dr. Freijo has directed more than 30 funded projects in the areas of testing, evaluation, and research. His many other career experiences relevant to the proposed project include numerous evaluation projects in school districts in the State of Florida and abroad, and the conduct and publication of research dealing with test development and issues in measurement. Dr. Freijo has thirteen years of teaching and consulting experience in testing and measurement, research and evaluation. For additional information, see Dr. Freijo's vita.

Project Coordinator. Kathryn Kaney Freijo, Vice President for Program Development at PDE Associates, Inc., was formerly Secondary Language Arts Consultant for the Florida Department of Education. Mrs. Freijo's wide range of professional achievements include many which are directly related to this project. Among those are:

Numerous reviews of state minimum performance standards and skills, item specifications, and items for all phases of the Florida Statewide Student Assessment Program;

Active involvement in the development of the Florida Minimal (Production) Writing Skills Tests and associated analytical scoring procedures;

Active involvement in the project to score and report the results of the 1978-79 Florida Minimal (Production) Writing Skills Assessment;

Coordinator of a project to critique basic skills item specifications for Florida's Statewide Student Assessment Program;

Coordinator of a project to develop 240 items for Florida's Statewide Student Assessment Test, Part II;

Director of a project to develop 500 basic skills items for Florida's Statewide Student Assessment Program at grades three, five, eight, and eleven;

Curriculum Specialist in a project to assess the teacher in-service training needs in the Fifth Congressional District of the State of Louisiana;

Language reviewer for items developed for Florida's Teacher Certification Examination;

Director of a project to score and report the 1980 Florida Minimal (Production) Writing Skills Assessment;

Director of a project to develop approximately 700 specifications for communication skills items for use in the Palm Beach County, Florida, School District;

Coordinator of a project to develop and fieldtest basic skills measures for South Carolina's Education Entrance Examination for teacher training program candidates;

Scoring Coordinator for a project to fieldtest prompts and scoring procedures and to conduct extensive analyses of results for the North Carolina Minimum Writing Competency Assessment.

Mrs. Freijo has co-authored three test series; the Nutrition Education Assessment Series; the Basic Skills Assessment Series, English Edition; and the Basic Skills Assessment Series, Spanish Edition. She also has co-authored two publications related to test development: A Guide to Developing Local Criterion-Referenced Tests, and A Guide to Writing Items for Local Criterion-Referenced Tests.

Mrs. Freijo has served as a curriculum consultant throughout the Southeastern United States and the Canadian Maritime Provinces. She has twelve years experience as a teacher and consultant, and has made numerous presentations at curriculum area conferences and state and national research conferences on matters related to teaching and assessing language arts skills and to test development. For additional information, see Mrs. Freijo's vita.

Rasch Model Specialist. Dr. R. Robert Rentz is President of R & R Evaluations, Inc., and Professor in the Department of Educational Foundations at Georgia State University. Prior to joining the faculty at Georgia State University, Dr. Rentz was a member of the graduate faculty in the University of Georgia School of Education, where he directed the Educational Research Laboratory and conducted a three year analysis of the Anchor Test Study using the Rasch Model.

In addition to more than ten years of graduate-level teaching experience in measurement and research, Dr. Rentz's professional activities include a wide range of accomplishments in research, writing, and project direction and evaluation which are directly related to the proposed project. Among those are:

Director of the Georgia Regents' Testing Program (since 1970);

Development of an instrument to measure reading, English, and math skills for use in the University System of Georgia;

Research Consultant for the Georgia State University Contract to develop statewide tests for all first, fourth, eighth, and tenth grade students in the State of Georgia;

Consultant to Psychological Corporation on design and analysis throughout development stages of the Stanford Achievement Test, 1981 version;



Advisor on Medical College Admissions Test equating;

Member of the Technical Advisory Committee for California's Assessment Program;

Member of the RMC Advisory Committee on scaling and equating for the Title I evaluating and reporting system;

The following are among numerous papers and publications related to test equating, prepared by Dr. Rentz:

Rentz, R.R. and Pyecha, J.N. A Rasch model equating study for the recommended ESEA Title I migrant program evaluation system Concept paper No. CP-22-77-03, Center for Educational Research and Evaluation, Research Triangle Institute, North Carolina, August, 1977.

Rentz, R.R. and Bashaw, W.L. "The National Reference Scale for Reading: An Application of the Rasch model." Journal of Educational Measurement, 1977 14, 161-179.

Rentz, R.R. and Ridenour, S.E. "The Fit of the Rasch Model to Achievement Tests." Paper presented at the annual meeting of the Eastern Educational Research Association, Williamsburg, Virginia, March, 1978.

For additional information, see Dr. Rentz's vita.

Program Planning Specialist. Dr. Stanley Bernknopf currently is coordinator of the Georgia Student Assessment Program. In this position, he administers a testing program which involves a \$900,000 annual budget. Administrative aspects of this program involve instrument design, development and on-going administration of instruments across several grades and content areas. Emphasis is placed on useful reporting of information. Prior to his current employment, Dr. Bernknopf worked with the Georgia State Department of Education to develop certification examinations for school counselors. During this same period, Dr. Bernknopf served on a state advisory committee overseeing the development of teacher certification examinations. During the past 10 years, Dr. Bernknopf has been actively engaged in activities relating to educational measurement. These activities have encompassed the design, development and administration of measurement instruments for public elementary and secondary education institutions, as well as certification examinations for the Georgia State Department of Education. Dr. Bernknopf has published in the areas of competency based certification and criterion-referenced test development. He has presented papers on these topics at many national professional meetings, as well as regional and state conferences.

#### 4.2 Machine Scoring/Reporting

Scanning, scoring and reporting activities will be conducted by Educational Consultants Services (ECS). ECS, a Division of J & J Business Enterprises, Inc., is a privately owned company located in

Trenton, New Jersey. The management and staff of ECS include business oriented professional, technical, and operational personnel. ECS management emphasizes the importance of each employee's contribution to the overall effort, and all ECS personnel are acutely aware of the importance of maintaining tight quality control, accuracy and security of the tests that are processed.

Through the varied academic and practical experience of members of the ECS staff, ECS ensures the highest quality services in all aspects of its operations. One of the major strengths of ECS is its flexibility. Test information is captured with extensive editing, using the concept of "intelligent optical mark recognition". This concept ensures accurate and complete data files and obviates the need to perform extensive edit checks and updates of test data files. Through the careful quality control procedures built into the manual and automated procedures at ECS, complete and accurate reports are ensured.

ECS provides special program support to clients whose testing programs require more than scoring service support. Special diversified services include:

- In-service training by ECS representatives and consultants;
- Development of test administration materials;
- Preparation and distribution of testing materials and special materials (announcements, special instructions, etc.);
- Packaging of materials;
- Document and materials accounting;
- Design and implementation of special answer sheets;
- Computer "pre-slugging" of student identification;
- Special distribution of reports;
- Design and implementation of special reports and/or special statistical data analysis; and
- Assistance with interpretation of results.

ECS uses both the Westinghouse (MIC) WDS-201 Optical Scanner and the NCS 70-10 Scanner. It should be noted that the UNISCORE<sup>TM</sup> test scoring services are normally tailored to meet individual needs and results are reported to conform to the clients' specifications.

ECS routinely provides scoring services for large school districts, including New York City, New York; Rochester, New York; Savannah, Georgia; and Newark, New Jersey. Several projects, typical of those conducted by ECS, are described here.

New York City-Wide Pupil Evaluation Project. This project involved scanning, scoring, and reporting for 75,000 grade three students. (Contact Person: Dr. Gary Kippel, Assistant Director, New York City Office of Testing, New York City, New York (212)624-4101)

Rochester City School District Testing Program. This project involved scanning, scoring, and reporting for approximately 50,000 students in the fall and approximately 40,000 students in the spring. (Contact Person: Mr. Frank Kettles, Director of Planning, Research and Evaluation, Rochester City School District, Rochester, New York (716)325-4560)

Newark City Schools Testing Program. This project involved scanning, scoring, and reporting for approximately 25,000 students. (Contact Person: Mrs. Dorothy Gawenus, Director of Testing, Newark City Schools, Newark, New Jersey (201)733-7180)

Philadelphia Board of Education Testing Program. This project involved scanning, scoring, and reporting for approximately 45,000 students. (Contact Person: Dr. Jules Grosswald, Director Division of Testing Services, Philadelphia City Board of Education, Philadelphia, Pennsylvania (215)299-7745)

Baltimore City Schools Writing Proficiency Test. This project involved holistically scoring 116,000 writing samples, for students K-12. The test is administered three times each year, and holistic scoring is conducted three times each year. (Contact Person: Mr. Jake Shuchman, Baltimore City School System)



## 5.0 CORPORATE CAPABILITY

### 5.1 General Capability

The training and professional experience of the associates of PDE combine the measurement, research, and curriculum expertise essential to understanding and addressing the needs of educational agencies. PDE is dedicated to using the best extant knowledge and methodology in serving its clients' needs.

PDE is committed to a team approach in planning and conducting all operations. Each project is organized specifically to provide a combination of expertise appropriate to the specific requirements of the project. In addition to the expertise resident in its permanent staff, PDE engages the services of numerous professionals who demonstrate outstanding capability in particular areas. PDE is located in Tampa, Florida, in close proximity to the University of South Florida and has available several outstanding faculty members of USF who serve as consultants or key project personnel as their services are needed. Faculty members at other major colleges and universities throughout the nation also serve as consultants and key project personnel as they are needed.

The successful conduct of numerous contracted projects indicates the ability of the associates of PDE to work cooperatively with a variety of institutions and agencies. The associates have conducted numerous research, development and evaluation projects through contracts with local school districts, various other educational agencies, and state Departments of Education throughout the nation. PDE recognizes the time constraints under which agencies typically operate and assures the delivery of its services and products in a timely and cost-effective manner.

The following list will give the reader an idea of the breadth of projects in the areas of testing, program evaluation and needs assessment completed under the direction of the associates.

#### Instrument Development, Validation and Administration

Development of Criterion-Referenced Instruments for the Hillsborough County, Florida, Local Testing Program

Development of the Minimal Writing Skills Assessment Program for Florida's Statewide Assessment Program

Development of 240 Basic Skills Items for Florida's Statewide Assessment Program

Scoring and Reporting of Results for Florida's 1978 Minimal Writing Skills Assessment

Development of 240 Items for Florida's Statewide Student Assessment Test, Part II

Study to Determine Recommended Format Adaptations of Florida's Statewide Student Assessment Tests for Students with Specific Learning Disabilities

Review of all Basic Skills Item Specifications for Florida's Statewide Student Assessment Program

Development of the Nutrition Education Assessment Series, a series of seven instruments to assess knowledge, attitudes and habits in the area of nutrition

Development of 500 Basic Skills Items for Florida's Statewide Student Assessment Program

Development of Basic Skills Assessment Series, English Edition, a series of nine test instruments to assess reading, writing, and mathematics skills, at grades one through six

Development of Basic Skills Assessment Series, Spanish Edition, a series of nine test instruments to assess reading, writing, and mathematics skills, at grades one through six

Development of 700 Item Specifications in Language Arts at Grades 1-3 for the Palm Beach County, Florida, School System

Scoring and Reporting Results of Florida's 1980 Minimal Writing Skills Assessment

Development and Pilot Testing of Basic Skills Measures for Teacher Training Program Candidates in South Carolina

Fieldtesting and Multi-Stage Analysis of North Carolina's Competency Writing Assessment

#### Program Evaluation

Evaluation of ESEA Title I projects in Pasco and Polk counties, Florida (six projects)

Evaluation of ESEA Title VII Bilingual Education projects in Collier, Duval, Pasco, Orange and Polk counties, Florida, and for the Florida DOE (seven projects)

Evaluation of Career Education projects in Manatee, Pasco and Sarasota counties, Florida (four projects)

Evaluation of Florida ESEA Title VII Technical Assistance Program (two projects)

Evaluation of the Extended School Year Program in Hillsborough County, Florida

Evaluation of Humanities and the Environment Project (National Endowment for the Humanities) at New College, Sarasota, Florida

Evaluation of Florida's Project OUNCE (two projects)

Evaluation of Title VII Master's Degree Program in Bilingual Education at the University of Miami

Evaluation of the Florida International University Competency-Based Bilingual Education Program

Needs Assessment

Planning and Implementation of the 1979 Louisiana Teacher In-service Training Needs Assessment

Study to Determine the Special Educational Needs of Florida's Secondary Level Migratory Students

Planning and Implementation of the 1979 Needs Assessment for Nutrition Education in Florida

5.2 Activities Related to Proposed Project

The proposers have directed a number of projects similar to the proposed project. Several such projects are described here.

A project to develop and fieldtest the Florida Minimal (Production) Writing Skills Tests and associated scoring procedures. In this project, eight test forms were developed to measure state-adopted minimal writing skills at four grade levels. Seven of the test forms elicited writing samples from the examinees, and the eighth elicited oral responses from examinees. Oral responses were recorded on cassette tape. All test forms contained between one and four items of varying complexity; each item could be used to measure more than one skill. The scoring procedures required that each writing sample be rated according to an analytic scoring scheme unique to each skill being measured. Each scale point for each skill was defined and exemplified in such a way that scores on the test provide detailed diagnostic information. Aggregate data can be used in making curricular decisions on a larger scale. (Contact Person: Dr. Kenneth L. Loewe, Director of Test Development, Student Assessment Section, Florida Department of Education (904)488-8198).

A project to score and report the results of the 1978-79 Florida Minimal (Production) Writing Skills Assessment. In this project, 48 scorers and eight scoring leaders were selected and trained in the application of Florida's analytic scoring procedures. Approximately 3,000 test copies were scored. For ratings of skill measures for a total of 46 scores, interscorer agreement greater than 80 percent was achieved for pairs of raters on 45 scores. The results obtained were descriptive of specific levels of performance among examinees on each of the minimum competencies assessed. These results were useful in determining needed curricular modifications. (Contact Person: Dr. Kenneth L. Loewe, Director of Test Development, Student Assessment Section, Florida DOE, (904)488-8198)



A project to develop a series of tests called the Career Achievement Tests. These tests were used by six Florida counties to evaluate the effectiveness of their career education programs. The test series includes three levels with two forms at each level, and contains a total of 170 items. Teachers were trained to write items, and other groups of teachers served as item reviewers. The development of the test series was described in an article, "A Case Study of the Development of a Career Education Achievement Test," which was published in Measurement and Evaluation in Guidance to serve as a model for local test development efforts. (Contact Person: Mr. Elmo Collins, Supervisor of Pupil Personnel Services, Pasco County, Florida (813)996-3600)

A project to develop criterion-referenced instruments for use in the Hillsborough County, Florida, testing program. Tests were developed in secondary math and secondary language arts, grades seven through ten. Teachers were trained to write items, and school system supervisors and University of South Florida professors served as reviewers. Approximately 500 items were developed. (Contact Person: Mrs. Sarah Jean Jolly, Director of Program Evaluation, Palm Beach County School System, (305)793-5150)

A project to develop basic skills items for Florida's Statewide Student Assessment Program. In this project, 240 test items in communication skills and mathematics were written, using DOE item specifications. Items were reviewed and revised to become part of an item pool for the Florida Basic Skills Assessment Program. (Contact Person: Dr. Kenneth Loewe, Director of Test Development, Student Assessment Section, Florida DOE, (904)488-8198)

A project to critique all basic skills item specifications used in the Florida Statewide Assessment Program. In this project, 350 test item specifications in communication skills and mathematics, at grades three, five, eight and eleven were critiqued and suggestions made for their revision. (Contact Person: Dr. Thomas Fisher, Administrator, Student Assessment Section, Florida DOE, (904)488-8198)

A project to determine appropriate test modifications for learning disabled students. This project entailed developing, formatting, and fieldtesting different test presentation modes for use in administering the Statewide Student Assessment Tests to SLD students in Florida. (Contact Person: Dr. Philip Grise, Director of Exceptional Student and Adult Testing, Student Assessment Section, Florida DOE (904)488-8198)

A project to develop items for Florida's Statewide Student Assessment Test, Part II. In this project 240 test items in communication skills and mathematics were written, using DOE item specifications. Items were reviewed and revised to become a part of an item pool for the Florida SSAT-Part II test. (Contact Person: Dr. Thomas Fisher, Administrator, Student Assessment Section, Florida DOE, (904)488-8198)

A project to conduct a statewide assessment of nutrition education needs in Florida. In this project a comprehensive assessment of nutrition education needs in Florida, involving ten components, was conducted. A part of this project was the assessment of a statewide representative sample in Florida of approximately 8,750 students at fourteen grade levels, approximately 700 teachers and approximately 350 food service personnel in the areas of nutrition knowledge, attitudes and habits. The project involved a variety of analyses and extensive preparation of data reports. (Contact Person: Ms. Sheila Sheridan, Consultant, Food and Nutrition Management, Bureau of Curriculum Services, Florida DOE, (904)487-1636)

A project to develop basic skills items for Florida's Statewide Student Assessment Program. In this project 500 test items in communication skills and mathematics were written, using DOE item specifications. Items were reviewed and revised to become part of an item pool for the Florida Basic Skills Assessment Program. (Contact Person: Dr. Kenneth Loewe, Director of Test Development, Student Assessment Section, Florida DOE, (904)488-8198)

A project to score and report the results of the 1980-81 Florida Minimal (Production) Writing Skills Assessment. In this project, 44 scorers and seven scoring leaders were selected and trained in the application of Florida's analytic scoring procedures. Approximately 3,000 test copies were scored. For ratings of skill measures for a total of 44 scores, interscorer agreement greater than 80 percent was achieved for pairs of raters. The results obtained were descriptive of specific levels of performance among examinees on each of the minimum competencies assessed. These results were useful in determining needed curricular modifications. (Contact Person: Dr. Kenneth L. Loewe, Director of Test Development, Student Assessment Section, Florida DOE, (904)488-8198)

A project to conduct the first field study of North Carolina's Competency Writing Assessment. In this project, PDE accomplished an extensive revision of existing scales and scoring procedures and administered a test to elicit writing samples from a sample of regular eleventh-grade students, eleventh-grade exceptional students, and regular ninth-grade students, in North Carolina. Writing samples were scored at four regional sites, using a Focused Holistic approach. Samples were scored again at a central site, using both the Focused Holistic approach and an Analytical approach. A thirteen-stage analysis of results was conducted. Findings were used to identify seven different options for statewide implementation of the Competency Writing Assessment. (Contact Person: Dr. William J. Brown, Jr., Director, Division of Research, North Carolina Department of Public Instruction, (919)733-3809)

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5.3 Corporate Organization and Resources

## STATE BUDGET &amp; CONTROL BOARD

The corporate offices of Planning, Development & Evaluation Associates, Inc. are located at 1312-1314 West Busch Boulevard, in Tampa, Florida. Tampa International Airport provides direct access to more than eighty major cities throughout the nation. PDE's corporate holdings in library and research facilities are greatly expanded by the easy availability of such resources in the many colleges and universities located within close proximity to the firm's headquarters in Tampa.

PDE's permanent staff combine expertise in measurement, research and curriculum, with special expertise in all facets of educational program planning, development and evaluation. In addition to its permanent staff, PDE employs numerous nationally-recognized project consultants. Project consultants are selected for their particular expertise in project activities.

Office space is designed to facilitate communication on all projects among project directors and staff members. Corporate offices house facilities necessary for conducting extensive research and development efforts, including a word processing center, a duplicating center, a graphics center, a comprehensive professional library, planning and conference areas, as well as work space that comfortably accommodates all staff members and project consultants. Corporate offices also house a limited-access file area designed to ensure security for test development projects and other projects that involve classified or otherwise confidential materials.

For special printing needs involving typesetting, graphics or color reproduction, PDE contracts, on priority status, with Litho-color Printing Corporation of Tampa. For special machine scoring and digital computer needs, PDE has priority status with Educational Consulting Services (ECS) in Trenton, New Jersey.



## 6.0 BUSINESS PROPOSAL

This section presents a budget summary, a budget detail, and a set of contract conditions. These presentations appear in Figure 6.1, 6.2, and 6.3, respectively.

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FIGURE 6.1 BUDGET SUMMARY

	<u>Manpower</u>	<u>Supplies and Services</u>	<u>Printing</u>	<u>Computer Services</u>	<u>Travel</u>	<u>Overhead</u>	<u>TOTAL</u>
Item Development	4,495	400			2,260	1,431	8,586
Test Administration	6,050	2,000	4,280		1,480	2,762	16,572
Test Scoring/Reporting	14,750	6,000		2,100	5,595	5,689	34,134
Item File Update	7,900	1,000		3,000		2,380	14,280
Project Reporting	4,100	500			3,135	1,547	9,282
Total	<u>\$37,295</u>	<u>\$9,900</u>	<u>\$4,280</u>	<u>\$5,100</u>	<u>\$12,470</u>	<u>\$13,809</u>	<u>\$82,854</u>

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FIGURE 6.2 BUDGET DETAIL

Personnel

T. Freijo - 67 days @ \$150 .....	\$10,050
K. Freijo - 60 days @ \$150 .....	9,000
R. Rentz - 16 days @ \$200 .....	3,200
S. Bernknopf - 15 days @ \$200 .....	3,000
J. Ritter - 49 days @ \$55 .....	2,695
L. Michael - 4 days @ \$100 .....	400
R. Cuervo - 4 days @ \$100 .....	400
S. Homan - 3 days @ \$150 .....	450
Scoring Leaders - 14 days @ \$125 .....	1,750
Graphics Artist - 1 day @ \$100 .....	100
Layout Artist - 2 days @ \$100 .....	200
Fieldtest Administrators - 30 days @ \$100 .....	3,000
Fieldtest Proctors - 30 days @ \$35 .....	1,050
Clerical Assistant - 50 days @ \$40 .....	2,000

SUB-TOTAL PERSONNEL ..... \$ 37,295

Travel - PDE

T. Freijo - 10 trips to Columbia	
Airfare - 10 trips @ \$210 .....	2,100
Perdiem - 20 days @ \$50 .....	1,000
K. Freijo - 6 trips to Columbia	
Airfare - 6 trips @ \$210 .....	1,260
Perdiem - 12 days @ \$50 .....	600
R. Rentz - 1 trip to Columbia	
Airfare - 1 trip @ \$125 .....	125
Perdiem - 1 day @ \$50 .....	50
Scoring Leaders (2)	
Airfare - 2 @ \$210 .....	420
Perdiem - 8 @ \$50 .....	400

SUB-TOTAL PDE TRAVEL ..... \$ 5,955

Travel-South Carolina Educators

DSSS Meeting - 15 participants (one 1-day meeting)	
Mileage - 15 x 150 mi. x \$.20 .....	450
Perdiem - 15 x \$12 .....	180
IRS Meeting - 15 participants (one 1-day meeting)	
Mileage - 15 x 150 mi. x \$.20 .....	450
Perdiem - 15 x \$12 .....	180



Scorers - 25 scorers (one 3-day meeting)	
Mileage - 25 x 150 mi. x \$.20 .....	750
Perdiem - 25 x 3 days x 12 .....	900
Motel - 25 x 3 nights x \$35 .....	2,625

Fieldtest Administrators	
Mileage - 10 x 250 mi. x \$.20 .....	500
Perdiem - 10 x 1.5 days x \$12 .....	180

Proctors	
Mileage - 30 x 50 mi. x \$.20 .....	300

SUB-TOTAL SOUTH CAROLINA TRAVEL .....	6,515
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Printing

3,300 fieldtest booklets @ \$1.00 .....	3,300
3,300 answer sheets @ \$.10 .....	330
Photographic plate preparation .....	500
50 manuals @ \$3.00 .....	150

SUB-TOTAL PRINTING .....	\$ 4,280
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Supplies and Services

Office supplies .....	200
Shipping .....	1,500
Postage .....	200
Long distance telephone - 100 @ \$10 .....	1,000
Copying/binding .....	1,000
Computer service .....	5,100
Designing reporting programs .....	3,000
Performance reports 3,000 @ \$1.00 .....	3,000

SUB-TOTAL SUPPLIES/SERVICES .....	\$15,000
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DIRECT COSTS .....	\$69,045
INDIRECT COSTS @ 20% .....	<u>13,809</u>
TOTAL COSTS .....	\$82,854
PDE CONTRIBUTION .....	<u>(7,854)</u>
REVISED TOTAL COSTS .....	\$75,000

## FIGURE 6.3 CONTRACT CONDITIONS

1. The proposal contained herein is a firm offer to the Educator Improvement Task Force of the State of South Carolina for a period of sixty (60) days from the date of receipt by the contract officer.
2. This proposal is submitted in anticipation of the negotiation of a fixed-price contract between the Task Force and PDE Associates, Inc. The following payment schedule is proposed:
  - Payment 1 - \$20,000 on September 1, 1981
  - Payment 2 - \$20,000 on November 1, 1981
  - Payment 3 - \$20,000 on January 15, 1982
  - Payment 4 - \$15,000 upon delivery of all final products and reports
3. PDE shall make every reasonable effort to secure the cooperation of South Carolina educators and agencies whose input and cooperation are described in Section 2.0 of this proposal. However, should it prove impossible to secure the cooperation of said South Carolina educators and/or agencies for any proposed activities, PDE shall be at liberty to use educators and/or agencies outside the State of South Carolina to complete project activities.

APPENDIX A  
VITAE OF KEY PERSONNEL

22407



## VITA

Tom D. Freijo

Name: Tom D. Freijo  
Address: 8525 Santa Clara Court, Tampa, Florida 33614  
Phone: (813) 932-6271  
Date of Birth: September 23, 1942  
Place of Birth: Tampa, Florida

### PROFESSIONAL PREPARATION

1965 A.A. - University of Florida  
1966 B.A. - University of Florida; Sociology  
1967 M.A. - University of Florida; Educational Research, Sociology  
1972 Ph.D. - University of Florida; Educational Research, Sociology  
Dissertation Topic: "Developing Research Skills for  
Educational Program Planning in  
Honduras: Process and Product."

### ACADEMIC AWARDS (UNIVERSITY LEVEL):

1. Joe Duran Memorial Scholarship
2. Carson-Newman College Freshman Scholarship
3. Undergraduate Research Training Stipend
4. Educational Research Training Fellowship

### ACADEMIC HONORARY FRATERNITIES:

1. Phi Beta Kappa (Liberal Arts)
2. Phi Kappa Phi (University Wide)
3. Phi Delta Kappa (Graduate Education)
4. Kappa Delta Pi (Education)
5. Alpha Kappa Delta (Sociology)

### PROFESSIONAL ORGANIZATIONS:

1. American Educational Research Association
2. Florida Educational Research Association
3. National Council on Measurement in Education

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EMPLOYMENT EXPERIENCE

- 1962-63    Engineering Aide - City of Tampa, Florida
- 1963-64    Police Officer - City of Tampa, Florida
- 1968-69    Assistant Professor/Social Foundations Department, College of Education, University of South Florida
- 1969-71    Assistant Professor/Research Director, Honduras Project, University of South Florida
- 1971-72    Assistant Professor/Measurement-Research Department, College of Education, University of South Florida
- 1972-73    Assistant Professor/Coordinator Measurement-Research Area, College of Education, University of South Florida
- 1973-74    Assistant Professor/Measurement-Research Area, College of Education, University of South Florida
- 1974-75    Associate Professor/Measurement-Research Area, College of Education, University of South Florida
- 1975-79    Associate Professor/Director of Instructional Design and Evaluation Applications Center, College of Education, University of South Florida
- 1979        Professor/Measurement-Research Department, College of Education, University of South Florida
- 1979-  
Present    President/Planning, Development and Evaluation Associates, Inc., Tampa, Florida

PUBLICATIONS - JOURNAL ARTICLES

Freijo, Tom D., "La Evaluacion en el Desarrollo Educativo." Revista (published by The Escuela Superior del Profesorado, Tegucigalpa, D.C., Honduras), January 1969. pp. 37-38.

Jaeger, Richard M. and Freijo, Tom D., "Some Psychometric Questions in the Evaluation of Professors." Journal of Educational Psychology, Vol. 66, No. 3, June 1974. pp. 416-423.

Freijo, Tom D., "Selecting Foreign Students -- Are GPA and Ratings Interchangeable as Criterion Variables?" Florida Journal of Education Research, Vol. 16, 1974. pp. 16-21.

Jaeger, Richard M., and Freijo, Tom D., "Sex and Race as Concomitants of Compound Halo in Teachers' Rating of Students." Journal of Educational Psychology, Vol. 67, No. 2, April 1975. pp. 226-237.

#### PUBLICATIONS - JOURNAL ARTICLES (Cont.)

Freijo, Tom D., and Ward, Annie W., "A Case Study of the Development of a Career Education Achievement Test." Measurement and Evaluation in Guidance, Vol. 9, No. 2, July 1976. pp. 51-59.

Freijo, Tom D., and Jaeger, Richard M., "Social Class and Race as Concomitants of Composite Halo in Teachers' Evaluative Rating of Pupils." American Educational Research Journal, Vol. 13, No. 1, Winter 1976. pp. 1-14.

#### PUBLICATIONS - BOOKS/TECHNICAL MANUALS

Freijo, Tom D. and Freijo, Kathryn K., A Guide to Developing Local Criterion-Referenced Tests. Tampa: Planning, Development & Evaluation Associates, Inc., 1980. 63 pp.

Freijo, Tom D. and Freijo, Kathryn K., A Guide to Writing Items for Local Criterion-Referenced Tests. Tampa: Planning, Development & Evaluation Associates, Inc., 1980. 58 pp.

#### PUBLICATIONS - TECHNICAL REPORTS

Freijo, Tom D., "Resultados del Cuestionario para Apreciar Las Actitudes de los Participantes Hondureños frente al Programa de Estudio en la Florida." Progress Report No. 4 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, July 1969, Annex C. 20 pp.

Freijo, Tom D., "Resultados del Cuestionario del Taller Pedagógico para el Desarrollo de Currículum." Progress Report No. 4 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, October 1969. Annex D. 8 pp.

Freijo, Tom D., "Resultados de Una Evaluación de las Actitudes de Educadores Hondureños Frente al Instituto Comprensivo." Progress Report No. 6 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, January 1970. Annex E and F. 5 pp.

Freijo, Tom D., "Resultados del Estudio sobre el Taller Pedagógico de diciembre 1969 - enero 1970." Progress Report No. 7 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, April 1970. Annex N. 8 pp.

Freijo, Tom D., "Reporte de Asesoría - Equipo de Laboratorio." Progress Report No. 8 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, July 1970. Annex C. 18 pp.



PUBLICATIONS - TECHNICAL REPORTS (Cont.)

Freijo, Tom D. and Peterson, Donovan, "Las Filosofias de un Grupo de Lideres Educacionales en Honduras." Progress Report No. 8 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, July 1970. Annex F. 6 pp.

Freijo, Tom D., "Resultado de la Evaluacion Sobre el Seminario de Educacion Media Llevado a Cabo en San Pedro Sula." Progress Report No. 10 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, January 1971. Annex K. 18 pp.

Freijo, Tom D. and Coker, Dan, "El Resultado de un Programa de Entrenamiento a un Comite de curriculum a Nivel Local." Progress Report No. 11 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, March 1971. Annex J. 9 pp.

Freijo, Tom D., "Resultados de la Evaluacion del Taller Pedagogico de Educacion Media." Progress Report No. 11 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida, March 1971. Annex R. 8 pp.

Freijo, Tom D. and Peterson, Donovan, "Las Filosofias Educativas de Un Grupo de Educadores Hondurenos." Progress Report No. 11 of the Florida Consortium for Educational Development in Honduras. Tallahassee, Florida: State University System of Florida, March 1971. Annex U. 26 pp.

Austin, Martha Lou and Freijo, Tom D., "Preliminary Follow-up Study of MA Reading Graduates at USF." Tampa, Florida: IDEA Center, 1975. 34 pp.

Freijo, Tom D., "Results of a Delphi Study to Generate Data for Establishing Recommendations of the Coordinating Council Development Project." Final Report--Florida Coordinating Council Development Project. Tampa, Florida: University of South Florida, December 1976, Appendix C. 60 pp.

Freijo, Tom D. and Danenburg, William P., "Coordinating Council Development Project Product Evaluation Report." Final Report--Florida Coordinating Council Development Project. Tampa, Florida: University of South Florida, December 1976, Appendix C. 15 pp.

PUBLICATIONS - FINAL PROJECT REPORTS

Anderson, E. Christian, et. al., Honduran Secondary Education Project Final Report. Tampa: University of South Florida, 1972. 85 pp.

Freijo, Tom D., Project CHOICE Final Evaluation Report. Tampa: University of South Florida, 1974. 425 pp.

Freijo, Tom D., Manatee County Career Education Evaluation -- Final Report. Tampa: University of South Florida, 1975. 93 pp.

PUBLICATIONS - FINAL PROJECT REPORTS (Cont.)

Freijo, Tom D., Sarasota County Career Education Evaluation -- Final Report. Tampa: University of South Florida, 1975. 126 pp.

Freijo, Tom D. and Hall, Bruce W., Project CHICANO: Final Evaluation Report, 1975-76. Tampa: University of South Florida, 1976. 115 pp.

Hall, Bruce W. and Freijo, Tom D., Project TOTS Final Evaluation Report, 1975-76. Tampa: University of South Florida, 1976.

Freijo, Tom D., External Review of the Coordinating Council Development Project. Tampa: University of South Florida, 1976. 41 pp.

Freijo, Tom D., Hillsborough County's Extended School Year Program: An Analysis of Test Results. Tampa: University of South Florida, 1976. 90 pp.

Freijo, Tom D. and Hall, Bruce W., Project CHICANO Final Evaluation Report, 1976-77. Tampa: University of South Florida, 1977. 82 pp.

Hall, Bruce W. and Freijo, Tom D., Project TOTS Final Evaluation Report, 1976-77. Tampa: University of South Florida, 1977. 106 pp.

Freijo, Tom D., et. al., Hillsborough County Extended School Year Evaluation Final Report. Tampa: University of South Florida, 1977. 428 pp.

Freijo, Tom D. and Jolly, S. Jean, Humanities and the Environment Project Final Evaluation Report. Tampa: University of South Florida, 1977. 65 pp.

Freijo, Tom D. and Hilderbrand, John A., Duval County Bilingual Education Program Final Evaluation Report. Tampa: University of South Florida, 1978. 126 pp.

Freijo, Tom D. and Hilderbrand, John A., Florida ESEA Title VII Technical Assistance Program Final Evaluation Report. Tampa: University of South Florida, 1978. 24 pp.

Freijo, Tom D. and West, William, Florida Minimal Writing Skills Test Development Project Final Report. Tampa: University of South Florida, 1978. 32 pp. plus appendices.

Freijo, Tom D.; Hall, Bruce W.; Jolly, Sarah Jean. Polk County Title I Evaluation Final Report, 1977-78. Tampa: University of South Florida, 1978. 340 pp.

Freijo, Tom D. and Hall, Bruce W., Collier County Bilingual Education Project Final Product Evaluation Report. Tampa: University of South Florida, 1978. 18 pp.

Hall, Bruce W. and Freijo, Tom D., Collier County Title VII Bilingual Education Program Final Process Evaluation Report. Tampa: University of South Florida, 1978. 130 pp.

PUBLICATIONS - FINAL PROJECT REPORTS (Cont.)

Freijo, Tom D.; Davies, Bill; Hall, Bruce W.; Heath, Kathryn K.; Katzenmeyer, William; and Perez, JoEllen V. Louisiana Teacher Inservice Training Needs Assessment -- Fifth Congressional District. Tampa: University of South Florida, 1979. 267 pp.

Freijo, Tom D. and Perez, JoEllen V., Florida Basic Skills Item Development Project, Final Report. Tampa: University of South Florida, 1979. 30 pp.

Freijo, Tom D.; Dwyer, Robert; and Perez, JoEllen V. Florida Secondary Migrant Education Program Evaluation Project, Final Report. Tampa: University of South Florida, 1979. 83 pp.

Freijo, Tom D. and Kaney, Kathryn. Evaluation of the ESEA Title VII Technical Assistance Project in Florida, Final Report. Tampa: University of South Florida, 1979. 19 pp.

Freijo, Tom D. and Freijo, Kathryn K., Evaluation Plans for Florida's Four Follow Through Projects, Final Report. Tampa: University of South Florida, 1979. 49 pp.

Freijo, Tom D. and Freijo, Kathryn K., Critique of Specifications for Basic Skills Items - Florida's Statewide Student Assessment Program, Final Report. Tampa: University of South Florida, 1979. 20 pp.

Freijo, Tom D.; Perez, JoEllen V.; and Freijo, Kathryn K. Florida Statewide Student Assessment Test - Part II Item Development Project, Final Report. Tampa: University of South Florida, 1979. 105 pp.

Freijo, Tom D.; Freijo, Kathryn Kaney; Perez, JoEllen V. Florida Nutrition Education Needs Assessment, Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1979.

PAPERS PRESENTED

"El Rol de la Investigacion Educativa en el Desarrallo Educacional." National Seminar on Secondary Education, Honduras, December 1970.

"Las Calificaciones." Presented to various educational groups in Honduras, 1970.

"Evaluacion en el Aula." Presented to various educational groups in Honduras, 1970.

"Elaborando Objetivos Educacionales." National Curriculum Workshop, Honduras, January 1971.

"The Development of a Set of Behavioral Objectives for the Introductory Measurement Course." Florida Educational Research Association Convention, Tampa, January 1973.

Chaired a paper session, "Varieties of Schoolings", at the Florida Educational Research Association Convention, Tampa, January 1973.



PAPERS PRESENTED (Cont.)

"The Development of a Career Education Achievement Test." Florida Educational Research Association Convention, Tallahassee, January 1974. (With Ruth Stiehl)

"Selecting Foreign Students -- Are GPA and Ratings Interchangeable as Criterion Variables?" Florida Educational Research Association Convention, Tallahassee, January 1974.

"Race and Sex as Concomitants of Teachers' Accuracy in Evaluative Rating of Students." American Educational Research Association Convention, Chicago, April 1974. (With Richard Jaeger)

"Evaluating Career Education Projects." Invited speech to the Statewide Conference on the Evaluation of Career Education. St. Petersburg, September 1974.

"Role Specific Perceptions of Educational Program Evaluation: The External Evaluator's Perceptions." Florida Educational Research Association Convention, St. Petersburg, January 1975.

Chaired a paper session, "Multivariate Analysis", at the Florida Educational Research Association Convention, St. Petersburg, January 1975.

"The Evaluation of Career Education Projects." Invited Speech to the Florida Workshop on Career Education, Gainesville, February 1975.

"Race and Socio-Economic Status as Concomitants of Teachers' Accuracy in Evaluative Rating of Students." American Educational Research Association Convention, Washington D.C., April 1975. (With Richard Jaeger)

Served as Discussant in a paper session, "Career Education and Vocational Education: Issues, Procedures and Results." Florida Educational Research Association Convention, Orlando, January 1976.

"The Effects of Research Versus Operational Use Instructions on the Psychometric Characteristics of Resultant Ratings." Florida Educational Research Association Convention, St. Petersburg, January 1977. (With Cliff Blair and Steve Klesius)

"An Examination of Patterns of Performance by Race and Sex In Early School Achievement and Self Concept Measures." Florida Educational Research Association Convention, St. Petersburg, January 1977. (With Bruce Hall and Cliff Blair)

"The Hillsborough County Extended School Year Program--An Application of the PPVI Evaluation Model." Symposium chairperson and presenter. Florida Educational Research Association Convention, Daytona Beach, January 1978. (With John Hilderbrand, Jean Jolly, Bruce Hall, and Annie Ward Hall)

"Contributions of Process Evaluation to Quality Control of ESEA Title I Projects." Florida Educational Research Association Convention, Daytona Beach, January 1978.

PAPERS PRESENTED (Cont.)

"The Development of Writing Skills Instruments for the Florida State Assessment Program." Invited speech to a state conference of curriculum supervisors sponsored by Florida DOE. Gainesville, April 1978.

"The Need for Comprehensive Program Evaluation in Florida's Compensatory Education Program." Invited speech to a South Florida Planning Council Conference on Compensatory Education, June 1978.

"Positive and Negative Possibilities of State Assessment." Invited speech at the Arkansas Teachers of English Annual Conference. Conway, Arkansas, June 1978.

"Comprehensive Program Evaluation in Education, With Examples from ESEA Title I." Invited speech at Florida Mental Health Institute's Regional Conference on Planning and Evaluating Mental Health and Human Service Programs. Tampa, September 1978.

"Evaluating In-Service Training Programs." Invited speech at the Fourth Annual Florida Staff Development Directors' Conference. St. Petersburg, September 1978.

"Florida's Written Composition Assessment Test." Invited paper presentation to the Florida Council of Teachers of English Annual Convention, Miami Beach, October 1978.

"The Development and Validation of Florida's Minimal Writing Skills Tests and Scoring Procedures." Florida Educational Research Association Convention, Daytona Beach, January 1979.

"An Evaluation of An Extended School Year Program -- An Application of the PPVI Evaluation Model." American Education Research Association Convention, San Francisco, April 1979.

"Minimum Competency Assessment of Student Writing Production." National Council of Measurement in Education, Boston, Massachusetts, 1980.

"A Comparison of Student Performance Levels on Writing Skills Measured with Both Production and Multiple-Choice Tests Items." National Council of Measurement in Education, Boston, Massachusetts, 1980.

CONTRACTS RECEIVED

1973 - Evaluation of Project CHOICE (Career Education), Pasco County School Board, \$14,500 -- Sole Investigator

1974 - Evaluation of Manatee County Career Education Project, Manatee County School Board, \$6,000 -- Sole Investigator

1974 - Evaluation of Project CHOICE (second year implementation) Pasco County School Board, \$14,500 -- Sole Investigator



CONTRACTS RECEIVED (Cont.)

- 1974 - Evaluation of Sarasota County Career Education Project, Sarasota County School Board, \$6,400 -- Sole Investigator
- 1975 - Evaluation of Project CHICANO (Bilingual Education), Pasco County School Board, \$3,500 -- Principal Investigator
- 1975 - Evaluation of Project TOTS (Title I Reading), Pasco County School Board, \$4,500 -- Second Investigator
- 1976 - Evaluation of Project CHICANO (second year), Pasco County School Board, \$4,000 -- Principal Investigator
- 1976 - Evaluation of Project TOTS (second year), Pasco County School Board, \$6,000 -- Second Investigator
- 1976 - Analysis of Test Results for Hillsborough County's Extended School Year Program, Hillsborough County School Board, \$1,000 -- Sole Investigator
- 1976 - Evaluation of Humanities and the Environment Project (National Endowment for the Humanities), New College, \$2,500 -- Principal Investigator
- 1977 - Evaluation of Hillsborough County's Extended School Year Program, Hillsborough County School Board, \$17,000 -- Principal Investigator
- 1977 - Evaluation of Polk County's Title I Program, Polk County School Board, \$9,990 -- Principal Investigator
- 1977 - Development of Writing Items for the Florida State Assessment Program, Florida DOE, \$24,188 -- Project Director
- 1977 - Evaluation of Collier County Bilingual Education Project, Collier County School Board, \$4,000 -- Principal Investigator
- 1977 - Development of Criterion-Referenced Instruments for Hillsborough County's Testing Program, Hillsborough County School Board, \$5,500 -- Project Director
- 1978 - Evaluation of the University of Miami's Title VII Master's Degree Program in Bilingual Education, University of Miami, \$3,800 -- Co-evaluator
- 1978 - Evaluation of Duval County's Bilingual Education Project, Duval County School Board, \$3,400 -- Principal Investigator
- 1978 - Evaluation of Florida's ESEA Title VII Technical Assistance Program, Florida DOE, \$3,500 -- Principal Investigator
- 1978 - Evaluation of Polk County's ESEA Title I Program, Polk County School Board, \$11,495 -- Principal Investigator



CONTRACTS RECEIVED (Cont.)

- 1978 - Evaluation of Collier County's ESEA Title VII Bilingual Education Project, Collier County School Board, \$4,000 -- Principal Investigator
- 1978 - Scoring and Analysis of Florida's Minimal Writing Skills Assessment Results, Florida DOE, \$28,113 -- Project Director
- 1978 - Development of Basic Skill Items for Florida's State Assessment Program, Florida DOE, \$16,214 -- Project Director
- 1978 - Louisiana Teacher In-Service Training Needs Assessment, Louisiana DOE, \$20,000 -- Project Director
- 1979 - Florida Secondary Migrant Education Program Evaluation Project, Florida DOE, \$45,000 -- Project Director
- 1979 - Item Development for Florida's SSAT-II Tests, Florida DOE, \$34,000 -- Project Director
- 1979 - Evaluation of the ESEA Technical Assistance Project in Florida, Florida DOE, \$2,500 -- Project Director
- 1979 - Development of Evaluation Plans for Florida's Follow Through Projects, Florida DOE, \$4,500 -- Project Director
- 1979 - Evaluation of Project OUNCE, Sarasota County School System, \$6,000 -- Project Director
- 1979 - Basic Skills Item Specifications Reviews /SLD Test Modifications Project, Florida DOE, \$17,000 -- Project Director
- 1979 - Nutrition Education Needs Assessment Project, Florida DOE, \$87,000 -- Project Director
- 1979 - Evaluation of Polk County's ESEA Title I Program, Polk County School Board, \$11,500 -- Project Director
- 1980 - Evaluation of Florida International University's Bilingual Teacher Training Program, Florida International University, \$4,000 -- Principal Investigator
- 1980 - Evaluation of Project OUNCE, Sarasota County School System, \$5,000 -- Project Director
- 1980 - Development of a Basic Skills Test for Teacher Training Candidates, South Carolina Educator Improvement Task Force, \$75,000 -- Project Director
- 1980 - Fieldtest of a Production Writing Test for Eleventh Graders, North Carolina DOE, \$69,000 -- Project Director

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MAJOR PAID CONSULTANCIES

- 1969 - Consultant to the Honduran Government on the development of educational behavioral objectives (3 days).
- 1969 - Consultant to the Honduran Government on the development of an educational data base system (3 days).
- 1972 - Consultant to the Honduran Teacher Training College on the validation of admission tests (10 days).
- 1972 - Consultant to Nova University on the Development of an Evaluation Model for external Ed.D. Programs. Developed a 35 page proposal, (3 days). (With Richard Jaeger)
- 1973 - ESEA - Title III Auditor for the State of Florida. Audited "Individualized Spanish for English Speakers" project (4 days).
- 1973 - Consultant to Hillsborough Community College on the Development of an accountability plan (1 day). (With Richard Jaeger)
- 1974 - Consultant to the Sarasota County Public School System to develop an evaluation plan for their Career Education Project (3 days).
- 1974 - ESEA - Title III Auditor for the State of Florida. Audited the second year operation of the "Individualized Spanish for English Speakers" project (4 days).
- 1974 - Evaluation consultant for the Leadership Training Institute's national workshop on the evaluation of Protocol Materials (3 days). (Denver)
- 1974 - Consultant to the Manatee County Public School System to develop an evaluation plan for their Career Education project (4 days).
- 1974 - Consultant to Manatee Junior College to develop an evaluation plan for their Career Education project (4 days).
- 1974 - Consultant to the Florida DOE to help plan a state-wide evaluation conference for Career Education Project Directors (1 day).
- 1974 - Consultant to the Polk County Public Schools on the evaluation of their Career Education project (4 days).
- 1975 - Consultant to the Pasco County Public Schools to develop an evaluation plan for a proposed Bilingual Education project (2 days).
- 1975 - ESEA Title III Auditor for the State of Florida. Audited "Childrens' Concerns: A Curriculum Base" project (4 days).
- 1977 - Consultant to Florida DOE on the evaluation of Title VII Technical Assistant Project (5 days).
- 1977 - Consultant to Florida DOE on the evaluation of a Title VII Teacher Training (M.Ed.) Program (3 days).

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MAJOR PAID CONSULTANCIES (Cont.)

- 1978 - Consultant to Hillsborough County School System on the evaluation of a Compensatory Education Program (10 days).
- 1978 - Consultant to Arkansas DOE on issues related to State Assessment (3 days).
- 1979 - Consultant to Florida DOE on detecting bias in test items to measure teacher competencies, using a review process (3 days).



## VITA

Kathryn Kaney Freijo

Name: Kathryn Kaney Freijo  
Address: 12101 Dale Mabry, #902, Tampa, Florida 33618  
Phone: (813) 961-1677  
Date of Birth: November 17, 1945  
Place of Birth: Reidsville, Georgia

### PROFESSIONAL PREPARATION

1967 B.A. - Florida State University; English  
1972 M.A. - University of North Carolina; Classics  
1976 M.A. - Stetson University; English

### ACADEMIC HONORARY FRATERNITIES

Phi Beta Kappa (Liberal Arts)

### PROFESSIONAL ORGANIZATIONS

1. National Council of Teachers of English
2. Florida Council of Teachers of English
3. Florida Educational Research Association
4. American Educational Research Association

### EMPLOYMENT EXPERIENCE

1968-71 Teacher, English and Humanities, Melbourne High School  
1968-71 Instructor, Humanities (part-time), Brevard Community College  
1967-75 (Summer) - Liaison for American Students in Western Europe, Paris, France  
1972-76 Teacher, English, Melbourne High School  
1976 Aide, Commissioner Paula Hawkins, Tallahassee, Florida  
1977-79 Consultant, Secondary Language Arts and Humanities, Florida Department of Education  
1979 Vice President for Program Development, Planning, Development & Evaluation Associates, Inc., Tampa, Florida

PROFESSIONAL ACTIVITIESCurriculum Design:

1. Consultant to Canadian Maritime Provinces Secondary Public Schools Curriculum Development Project, 1973-75.
2. Consultant for language arts curriculum revision and/or development in twenty school systems throughout Florida, 1977-81.
3. Coordinator of Florida Department of Education contracts with three (3) Florida school districts to develop remediation materials for use in all Florida school districts, 1977-78.
4. Coordinator and Principal Presenter, Department of Education Basic Skills Curriculum Conference, Gainesville, Florida, 1978.

Program Evaluation:

1. Principal Developer: Florida Department of Education's Middle and Secondary Education Program Evaluation Criteria, 1977.
2. Principal Developer: Florida Department of Education's Middle and Secondary Education Program Evaluation Model: An Integrated Process-Product Analysis, 1977.
3. Leader for selected pilot trials of the Florida Department of Education's Middle and Secondary Education Program Evaluation Model, 1977-78.
4. Language Arts Reading Evaluator for Middle and Secondary Education Program Reviews in eight Florida School Districts, 1978-1979.
5. Consultant to Project Director, Evaluation of ESEA Title I: Polk County, Florida, 1979.
6. Consultant/Evaluator, Evaluation of the ESEA Title VII Technical Assistance Project in Florida, 1979.
7. Consultant/Evaluator, Evaluation of Project OUNCE, 1979.
8. Consultant, Study to Determine the Special Educational Needs of Florida's Secondary-Level Migratory Students, 1979.
9. Project Consultant, Development of Evaluation Plans for Florida's Four Follow-Through Projects, 1979.
10. Project Evaluator, Evaluation of ESEA Title I: Polk County, 1980.

Related Presentations:

Presentation to Hillsborough County Secondary English Teachers: "The Curriculum Implications of Minimum Competency Testing in Florida", 1977.

Presentation to Orange County Council of Teachers of English: "The Curriculum Implications of Minimum Competency Testing in Florida", 1978.

Presentation to Secondary English Department Chairpersons: "Evaluating Effectiveness in Public School Language Arts Programs," FCTE Conference, Miami Beach, Florida, 1978.

Presentation to Pasco County Language Arts Teachers, K-12 "Implications of Florida's 1978 Minimum Production Writing Skills Assessment for Designing Writing Curricular in Public Schools in Florida," Land-O-Lakes, Florida, 1979.

Presentation to Florida school district Accountability Coordinators: "Florida's Middle and Secondary Education Program Evaluation Procedures," Orlando, Florida, 1978.

Presentation to Joint House and Senate Appropriations Committee, the Florida Legislature: "Indications from selected piloting of Florida's Middle and Secondary Education Program Evaluation Model," Tallahassee, Florida, 1978.

Presentation to candidates for Masters Degrees in Education at Florida Atlantic University: "Competency Testing and Program Evaluation," Ft. Pierce, Florida, 1978.

Test Design and Review:

Language Arts Consultant for Reviews of Test Items for the 1977 Administration of Florida's Statewide Student Assessment Test -Part I.

Language Arts Consultant for Reviews of Test Items for the 1977 Administration of Florida's Statewide Student Assessment Test -Part II.

Language Arts Consultant for Reviews of Test Items for the 1978 Administration of Florida's Statewide Student Assessment Test -Part I.

Language Arts Consultant for Reviews of Test Items for the 1978 Administration of Florida's Statewide Student Assessment Test -Part II.

Department of Education Language Arts Consultant for the development of Florida's Minimum Production Writing Skills Assessment, 1977-78.



Department of Education Language Arts Consultant for the development of scoring procedures for Florida's Minimum Production Writing Skills Assessment, 1978.

Consultant, Project to Develop Items for Florida's Statewide Student Assessment Test, Part II, 1979.

Coordinator, Project to Critique Basic Skills Item Specifications for Florida's Statewide Student Assessment Program, 1979.

Director, Project to Develop Items for Florida's Statewide Student Assessment Test - Part I, 1979.

Co-director, Project to Develop the Nutrition Education Assessment Series, 1979.

Consultant, Hillsborough County Project to Develop Specifications for First-Grade Reading Placement Instruments, 1980.

Director, Project to Develop Item Specifications for Language and Reading, Grades 1, 2, and 3, Palm Beach County, Florida, 1980.

Director, Project to Score Florida's Minimum Production Writing Skills Assessment, 1980.

Coordinator, Project to Develop Basic Skills Measures for South Carolina's Education Entrance Examination, 1980.

Coordinator, Project to Conduct Fieldtest Study of North Carolina's Minimum Writing Competency Test, 1980.

Related Presentations:

Presentation to Doctoral Candidates in Reading at Florida State University: "Florida's Minimum Production Writing Skills Assessment: Procedures and Results", 1979.

Presentation to joint English and English Education faculties at Florida State University, Florida A & M University and Tallahassee Community College: "Rationale for Selecting and Analytical Scoring Procedure for Florida's Minimum Production Writing Skills Assessment", 1978.

Presentation to Doctoral Candidates in Measurement and Research at the University of South Florida: "The Development of Florida's Minimum Production Writing Skills Assessment and Associated Scoring Procedures", 1979.

Presentation to Brevard County (Florida) Secondary English Teachers: "School-Level Applications of Composition Scoring Procedures", 1980.

Presentation to South Carolina College Teachers of Reading: "Development of Item Specifications and Test Items for South Carolina's Education Entrance Exam", 1981.

Presentation to Burlington City Schools (North Carolina) Language Teachers: "Classroom Applications of Modified Holistic and Analytic Scoring Procedures in Evaluating Expository Paragraphs", 1981.

#### PAPER PRESENTATIONS

"The Basic Skills Movement in America: A Perspective on Public Education in the 80's," the Escambia County Council of Teachers of English, Pensacola, Florida, December, 1978.

"Florida's Minimal Writing Skills Test: Curriculum Implications," Florida Educational Research Association Annual Conference, Daytona Beach, Florida, January, 1979.

"Assessing Reading and Writing Skills: The Florida Department of Education Perspective," Conference on Integrating the Teaching of Reading and Writing, University of Florida, Gainesville, Florida May, 1979.

"Minimum Competency Assessment of Student Writing Production," (With Dr. Kenneth L. Loewe and Dr. Tom D. Freijo), National Council on Measurement in Education, Boston, April, 1980.

"A Comparison of Student Performance Levels on Writing Skills Measured with Both Production and Multiple-Choice Test Items," (With Dr. Tom D. Freijo and Dr. Kenneth L. Loewe), National Council on Measurement in Education, Boston, April, 1980.

"Finding Out What Johnny Knows: Principles of Item Writing for Local Test Development Projects," Florida State Reading Council, St. Petersburg, Florida, October, 1980.

"Developing Item Specifications in an Integrated Test Development Program," Symposium on The Use of Item Specifications, Florida Educational Research Association, Ft. Lauderdale, Florida, November, 1980.

#### OTHER SPEECHES AND INVITED PRESENTATIONS

"The Future of Education in America: The Eighth Decade," American Association of University Women, Brevard County, Melbourne, Florida, January, 1978.

"The Influence of Classload on the Teaching of Composition," Senate Education Committee, the Florida Legislature, Tallahassee, Florida, April, 1978.

"Categorizing Students: Aid and Hazard in Addressing Student Need," Florida Association for Supervision and Curriculum Development, Daytona Beach, Florida, Spring, 1978.

# PUBLICATIONS - BOOKS

Heath, Kathryn Kaney, Surreal Vision: The Metaphor of Philip Lamantia, City Lights, 1977.

# PUBLICATIONS - JOURNALS

Kaney, Kathryn, "See and Knowing - Homeric Roots of the Sophoclean Motif." American Journal of Classics, December, 1973.

# PUBLICATIONS - ARTICLES

Heath, Kathryn, "The Implications of Florida's Accountability Legislation in Florida's Classrooms." FCTE Newsletter, Vol. 27, No. 2, 1977.

Heath, Kathryn, "Review of the 1977-78 8th and 11th Grade Statewide Student Assessment Results in Communications." FCTE Newsletter, Vol. 28, No. 1, 1978.

# PUBLICATIONS - TEST INSTRUMENTS

Perez, JoEllen V.; Freijo, Tom D.; Freijo, Kathryn Kaney. Nutrition Education Assessment Series, Tampa: Planning, Development & Evaluation Associates, Inc., 1979.

Freijo, Tom D; Freijo, Kathryn Kaney. Basic Skills Assessment Series, English Edition, Tampa: Planning, Development & Evaluation Associates, Inc., 1980.

Freijo, Tom D; Freijo, Kathryn Kaney. Basic Skills Assessment Series, Spanish Edition, Tampa: Planning, Development & Evaluation Associates, Inc., 1980.

# PUBLICATIONS - FINAL PROJECT REPORTS

Freijo, Tom D.; Davies, Bill; Hall, Bruce W.; Heath, Kathryn K.; Katzenmeyer, William; Perez, JoEllen V. Louisiana Teacher Inservice Training Needs Assessment -- Fifth Congressional District, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D. and Kaney, Kathryn. Evaluation of the ESEA Title VII Technical Assistance Project in Florida, Final Report, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D.; Freijo, Kathryn Kaney. Evaluation of Project OUNCE, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D.; Freijo, Kathryn Kaney. Critique of Specifications for Basic Skills Items, Florida's Statewide Student Program, Tampa, Florida: University of South Florida, 1979.



Freijo, Tom D.; Freijo, Kathryn Kaney. Evaluation Plans for Florida's Four Follow-Through Projects, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D.; Hall, Bruce; Jolly, Sarah Jean; Freijo, Kathryn Kaney. Polk County ESEA Title I Project Final Evaluation Report, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D.; Perez, JoEllen V.; Freijo, Kathryn Kaney. Florida's Statewide Student Assessment Test - Part II, Item Development Project, Tampa, Florida: University of South Florida, 1979.

Freijo, Tom D.; Freijo, Kathryn Kaney; Perez, JoEllen V. Florida Nutrition Education Needs Assessment, Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1979.

Freijo, Kathryn K. Florida Statewide Student Assessment Program - Part I, Item Development Project, Final Report. Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1980.

Freijo, Kathryn K. Florida Minimal Writing Skills Assessment, 1980-81 Scoring and Reporting Project, Final Report. Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1981.

#### PUBLICATIONS - TECHNICAL MANUALS

Freijo, Tom D. and Freijo, Kathryn K., A Guide to Developing Local Criterion - Referenced Tests. Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1980. 66 pp.

Freijo, Tom D. and Freijo, Kathryn K., A Guide to Writing Items for Local Criterion - Referenced Tests. Tampa, Florida: Planning, Development & Evaluation Associates, Inc., 1980. 55 pp.

R. ROBERT RENTZ

EDUCATIONAL BACKGROUND

Ed.D. University of Georgia 1969  
Major: Research Design

M.Ed. University of Georgia 1968  
Major: Educational Psychology

B.A. West Georgia College 1966  
Major: Psychology

1976-CURRENT

As President of R & R Evaluations, Inc., Rentz is responsible for the overall direction and activities of the company which currently emphasizes test development through the use of item banks, test equating applications and state assessment programs. A contract with the Psychological Corporation calls for design and analysis throughout the development stages of the Stanford Achievement Test, 1982 version; the research will involve both traditional and Rasch model item analysis and equating.

As Professor in the Department of Educational Foundations at Georgia State University, Rentz teaches measurement and research courses, and is responsible for directing students' dissertations in related areas. Teaching graduate classes incorporates all of his current research. These associations provide opportunities to maintain his leadership in the area of measurement research. The State of Georgia has awarded contracts for the development of statewide tests for all 1st, 4th, 8th, and 10th grade students to Georgia State University. Rentz is the research consultant to this project while the administration is coordinated by a project director under the direction of Rentz.

1973-CURRENT

As Director of the Regents' Testing Program (since 1970), Rentz has the experience of maintaining over several years a minimum competency testing program in reading and writing at the college level. In addition, instruments to measure reading, English, and math skills was developed for use in the University System of Georgia. This Basic Skills Examination is in the third year of operation using Rasch item banks for each area.

Consulting to groups responsible for selecting and implementing minimum competency testing programs gives Rentz the opportunity to influence testing decisions throughout the country. He is also privy to the discussions of fellow researchers on current methodology, problems and resources in the field of measurement for large-scale applications. Continuing associations involve advising on Medical College Admissions Test equating, the statewide testing program for the State of Virginia, and Technical Advisory Committee on California Assessment Program and the RMC Advisory Committee on scaling and equating for the Title I evaluating and reporting system.

PREVIOUS PROFESSIONAL EXPERIENCE

Associate Professor, Educational Research, University of Georgia 1973-76

Selected as a member of the graduate faculty in the School of Education (in 1970), Rentz taught advanced measurement and research courses, directed 10 dissertations and concurrently served as director of the Regents' Testing Program and director of the Educational Research Laboratory. The major research at the laboratory involved a three year analysis of the Anchor Test Study using the Rasch Model.



From a list of over 85 entries, the following articles, chapters, presentations, and seminars have been selected to illustrate the professional qualifications of Dr. Rentz for the proposed project:

- Rentz, R.R. and Thompson, D.J. Large scale essay testing: Implications for test construction and evaluation. Paper presented at the International Invitational Conference on Testing, the Hague, Netherlands, July, 1973.
- Rentz, R.R. and Pyecha, J.N. A Rasch model equating study for the recommended ESEA Title I migrant program evaluation system. Concept paper No. CP-22-77-03, Center for Educational Research and Evaluation, Research Triangle Institute, North Carolina, August, 1977.
- Rentz, R.R. Developing holistic scoring methods for essays. Indiana University, Bloomington, Indiana, Freshman English faculty, September 9-10, 1977.
- Rentz, R.R. and Bashaw, W.L. The national reference scale for reading: An application of the Rasch model. Journal of Educational Measurement, 1977 14, 161-179.
- Rentz, R.R. Monitoring the quality of an item-pool calibrated by the Rasch model. Paper presented at the annual meeting of the National Council on Measurement in Education, Toronto, Canada, March, 1978.
- Rentz, R.R. and Ridenour, S.E. The fit of the Rasch model to achievement tests. Paper presented at the annual meeting of the Eastern Educational Research Association, Williamsburg, Virginia, March, 1978.
- Rentz, R.R. Michigan seminar on the use of criterion-referenced tests and the Rasch model in Title I Evaluation. Dearborn, Michigan, July 31-August 1, 1978.
- Rentz, R.R. and Rentz, C.C. The Rasch model and its uses in Educational Evaluation. Seminar sponsored by Office of Planning, Budgeting, and Evaluation, USOE, Washington, D. C., September, 1978.
- Rentz, R.R. Testing and the Baccalaureate Degree. Paper presented at the ETS Invitational Conference on Testing, Washington, D. C., October, 1978.
- Rentz, R.R. and Rentz, C.C. Does the Rasch model really work? A discussion for practitioners. Princeton: ERIC Clearinghouse for Tests, Measurement, and Evaluation, Educational Testing Service, Spring, 1979. Also to be reprinted in Measurement in Education, National Council on Measurement in Education, Summer, 1979.
- Rentz, R.R. Characteristics of tests used in a minimum competency testing program in higher education. Chapter 20 in R. Jaeger and C. Tittle (eds.) Minimum Competency Achievement Testing, Berkeley, Calif.: McCutchan Publishing Corp., 1980.

V I T A

NAME: Stanley Bernknopf  
ADDRESS: 2863 Suffolk Court, Marietta, Ga., 30062  
PHONE: Home: (404) 973-2133  
Office: (404) 656-2661  
DATE & PLACE OF BIRTH: December 16, 1944, Brooklyn, New York

Education: 1975 - University of Georgia, Athens, Georgia  
Ed.D. in Measurement, Evaluation and  
Statistical Analysis  
1972 - The City University of New York  
New York, New York  
M.B.A. in Industrial Psychology  
1971 - The City University of New York  
New York, New York  
B.B.A. in Industrial Psychology

PROFESSIONAL POSITIONS:

9/78 - Present Coordinator, Student Assessment; Georgia State  
Department of Education.

Responsibilities involve the administration,  
development and coordination of the Georgia  
Statewide Assessment Program, grades K-12.

7/77 - 8/78 Director; Counselor Education Project, ESEA  
Title IV. (Funded through the Georgia State  
Department of Education).

Principal Function of the project was to  
develop a performance-based model for the certifi-  
cation of school counselors in Georgia.  
Responsibilities involved overall supervision of  
efforts aimed at producing products and procedures  
which led to the identification and assessment of  
essential knowledge competencies; identification  
and assessment of essential performance competen-  
cies; and development of training modules.

8/74 - 6/77 Evaluation/Research Specialist; Counselor  
Education Project, ESEA Title IV. (Funded  
through the Georgia State Department of Education).

Responsibilities involved developing systema-  
tic methods for the assessment of counselor  
competencies and evaluation procedures aimed at  
measuring the effectiveness of the project.

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Principal responsibilities during this period was the development of a criterion-referenced test, as part of the procedures for certification of school counselors in Georgia.

6/74 - 8/74

Teaching Assistant, University of Georgia, Department of Educational Psychology.

Taught ERS 601, a graduate course in "Methods of Research in Education." The course deals with research skills and related competencies involved in the planning, conducting and reporting of applied research.

3/74 - 7/74

Research Assistant, University of Georgia, Educational Research Lab. - Internship.

Consulting on statistical analysis and research design to faculty, staff and graduate students at the University of Georgia. Instruction in and use of computer program language (FORTRAN IV). Use of several prespecified computer programmed packages (BMD, DATA TEXT, etc.) in performing data analysis activities.

1970 - 1972

Research Assistant, The City University of New York, Division of Teacher Education.

Responsibilities involved supervision of collection, coding, tabulation and analysis of data. Other duties involved testing and write-up of research findings.\*

1968 - 1970

Research Assistant, The City University of New York Research and Evaluation Unit.

Responsibilities involved the design of research supervision and coordination of data collection, establishment of coding procedures to conform with analysis and reporting requirements.\*

\*(Principal function of both units have been to provide comprehensive research and analysis of all aspects of special university programs for the underprivileged or "culturally deprived.")

#### PART-TIME POSITIONS:

9/75 - 6/78

Instructor, Brenau College, Gainesville, Georgia

Taught graduate courses in "Educational Psychology" and "Educational Research."



12/75 - Present

Instructor, University of Georgia, Athens, Ga.

Taught graduate courses in Applied Statistics as part of the University's In-Service Teacher Education Program.

PUBLICATIONS:

Master's Thesis

Prediction of College Academic Performance, Special Education Program Students vs. Regular Matriculants using Stepwise Multiple Regression Analysis.

Doctoral Dissertation

An Investigation of Criterion-Referenced Tests Under Different Conditions of Sample Variability and Item Homogeneity. (Under the Direction of Dr. W. L. Bashaw and Dr. David A. Payne)

Developing a Needs-Based Guidance System: A Psychometric Approach. Journal of Measurement and Evaluation in Guidance Vol. 8, No. 3, October, 1975. 180-186.

Bernknopf, S. & Hartley, D. Development of a student oriented needs-based guidance system. ERIC Clearinghouse Document System.

Bernknopf, S. & Bashaw, W. L. An investigation of criterion-referenced tests under different conditions of sample variability and item homogeneity. ERIC Clearinghouse Document System. ED 120205

Pioneer CESA Guidance Project, a series of seven staff development in-service training modules. ERIC/CAPS Clearinghouse System, ED153102 (RIE, September 1978).

Performance Based Counselor Certification. ERIC/CAPS Clearinghouse, ED155558 (RIE, November 1978).

Toward Performance-Based Counselor Certification. Journal of Counselor Education and Supervision. Volume 18, Number 4, June 1979, 294 - 303.

A Defensible Model for Determining a Minimal Cut-Off Score for Criterion-Referenced Tests. ERIC Clearinghouse Document System. ED 177194; TM009687 (RIE, February 1980).

PRESENTATIONS AT NATIONAL AND LOCAL MEETINGS

The State of the Art: Criterion-Reference Measurement. Paper presented at the annual meeting of the Florida Psychological Association. Orlando; November, 1974.

A Psychometric Approach to the Development of a Student Oriented Needs-Based Guidance System. Paper presented at the annual meeting of the Mid-South Educational Research Association. New Orleans; November, 1974.

The Development of a Student Oriented Needs-Based Guidance System. Paper presented at the annual meeting of the Southeastern Invitational Conference on Measurement in Education. Knoxville; December, 1974.

The Development of a Model Comprehensive Needs-Based Guidance System and Modular Instructional Strategies. Paper presented at the annual meeting of the American Personnel and Guidance Association. New York; March, 1975.

The Use of Demographic Information and Psycho-educational Instrumentation for the Purpose of Predicting Programmatic Variables. Georgia CEC, Augusta, Ga., 1975.

An Investigation of Criterion-Referenced Tests Under Different Conditions of Sample Variability and Item Homogeneity. Paper presented at the annual meeting of the American Educational Research Association. San Francisco; April, 1976.

Identification of Competencies for School Counselor: Process and Product. Paper presented at the annual meeting of the Georgia School Counselor Association, Atlanta, Ga. November, 1976.

Issues Surrounding Competency Based Education - Certification. Paper presented at the annual meeting of the Georgia Personnel and Guidance Association, Atlanta, January 1977.

Competency Based Counselor Education - Certification: The Process and the Outcome. Paper presented at the annual meeting of the American Personnel and Guidance Association. Dallas, Texas, March, 1977.

Competency Based Counselor Education - Certification: The Process and the Outcome. Paper

presented at the annual meeting of the American Educational Research Association. New York; April, 1977.

Performance Based Counselor Certification.  
Paper presented at the annual meeting of the Georgia School Counselor Association, Savannah, Georgia. November, 1977.

Performance Based Counselor Certification.  
Paper presented at the annual meeting of the Georgia Personnel and Guidance Association, Atlanta, Georgia. March, 1978.

A Model for Determining a Minimal Cut-Off Score for Criterion-Referenced Tests: An Empirical Application. Paper presented at the Sixteenth Southeastern Invitational Conference on Measurement in Education. Blacksburg, Virginia. December 3, 1977.

Performance Based Counselor Certification.  
Paper presented at the annual meeting of the American Personnel and Guidance Association. Washington, D. C., March, 1978.

Performance Based Counselor Certification.  
Paper presented at the annual meeting of the American Educational Research Association. Toronto, March, 1978.

Skills and Capabilities Needed in an Intermediate Educational Agency. Paper presented at the 17th Annual Southeastern Invitational Conference on Measurement in Education. University of North Carolina, December 1978.

A Defensible Model for Determining a Minimal Cut-Off Score for a Criterion-Referenced Certification Examination. Paper presented at the annual meeting of the National Council on Measurement in Education, San Francisco, April 1979.

Performance Based Counselor Certification: A Model. Paper presented at the annual meeting of the American Educational Research Association, San Francisco, April 1979.

Current Testing and Evaluation Strategies.  
Paper presented at the annual meeting of the Georgia Psychological Association, Atlanta, Georgia, May 1979.

Cut-Scores and Alternate Forms - A New Frontier or Back to the Trenches. Paper presented at the annual meeting of the National Council on Measurement in Education, Boston, April 1980.



PROJECT REPORTS AND UNPUBLISHED PAPERS:

Characteristics of SEEK Program Students. The University of New York Research and Evaluation Unit.

Characteristics of College Discovery Program Students. The City University of New York Research and Evaluation Unit. November, 1969.

Fall 1969 Admissions to the SEEK and College Discovery Program: A Comparison of the acceptance rated from each poverty area of New York City. The City University of New York Research and Evaluation Unit. April, 1970.

First Semester Performance of College Discovery Program Students of the September 1968 Entering Class. The City University of New York Research and Evaluation Unit. May, 1970.

Discovering and Developing the College Potential of Disadvantaged High School Youth: A Report of the Sixth Year of a longitudinal Study of the College Discovery and Development Program. Office of Teacher Education of the City University of New York, October, 1973.

Issues Concerning Criterion-Referenced Testing: An Overview. September, 1974.

Planning Report #1: The Development of a Model Comprehensive Needs-Based Guidance System and Modular Instructional Strategies. August, 1975.

Progress Report: The Development of a Model Comprehensive Needs-Based Guidance System and Modular Instructional Strategies. Pioneer CESA, March, 1974.

A Model for a Student Needs-Based Guidance System. Pioneer CESA, 1975.

Georgia School Counselor Competency Exam: User's Guide and Technical Report. Pioneer CESA and Georgia State Department of Education, 1977.

CONSULTING ACTIVITIES:

Georgia Department of Education, Atlanta, Georgia. Served as a consultant in the preparation of a National Institute of Education Proposal for the Statewide Diffusion of R & D Products for Educational Improvement. February, 1976.

Department of Instructional Services, Pioneer CESA, Cleveland, Georgia. Served as a consultant in the preparation of an application for a part D, three-year Vocational Education Grant to implement and demonstrate the National Institute of Education's Experienced-Based Career Education Program. May, 1976.

Union, Banks and Hart Counties, Georgia. Assisted these school systems in the preparation of ESEA Title IV, Part C proposals designed to meet local educational needs. 1975-1976.

Organized and conducted a three-day Evaluation Workshop for Title III personnel in a 13 county area. March 19-21, 1975. Unicoi Conference Center, Helen, Georgia.

National University Center, Peabody College, Nashville, Tennessee. Served as a consultant in the preparation of a Spencer Foundation Grant for the Assessment of the Sioux Indian Child's Affective Orientation to Self and Environment. May, 1976.

Georgia Department of Education, Atlanta, Georgia. Participated in the training of school personnel in the use of observation instruments. January, 1977.

NCME-ETS Seminar Staff Member. "Talking About Tests with Students, Parents and the Community" September 30, 1977, Atlanta, Ga.

Career Education Center for the Preservice and In-Service Training of Classroom Teachers School of Education, Auburn University. Served as an evaluation consultant.

Organized and directed a three day regional conference on "Issues in Competency Based Education." Georgia State University, October 1978.

A survey to assess and describe adult education needs in Georgia Educational areas. Funded by Georgia State Department of Education, Office of Adult Education, 1978.

#### TRAINING COURSES:

Criterion-Referenced and Objectives-Referenced Measurement. Conducted by Educational Testing Service, Princeton, New Jersey, November, 408, 1974.

Essentials of Criterion-Referenced Measurement  
for Educational Evaluation. AERA Presession,  
San Francisco, April, 1976.

AREAS OF EXPERTISE:

Criterion-Referenced Measurement  
Competency-Based Preparation/Performance Based  
Certification  
Evaluation of School Programs  
Research Design and Methodology  
Tests and Measurements

PROFESSIONAL MEMBERSHIPS:

National Council on Measurement in Education  
American Educational Research Association  
American Statistical Association  
American Psychological Association  
Phi Delta Kappa, Vice President, Gainesville  
Chapter  
Georgia Educational Research Association



## RESUME

DAVID DEAS SINKLER POOR

DATE OF BIRTH: February 24, 1945  
HEALTH: Excellent  
STATUS: Married, three children

POSITION: Director of Operations, Educational Consulting Services, 1977 to date.  
Assistant Professor of Psychology, Temple University, 1972 to 1977.  
Director of Statistical Data Analysis, Measurement and Research Center, Temple University, 1972 to 1977.  
Director of Data Service Unit, Measurement and Research Center, Temple University, 1975 to 1977.

### SPECIAL FIELDS OF COMPETENCE:

Computer applications for statistical analysis.  
Statistical data analysis.  
Test development and evaluation.  
Data collection techniques using optical mark reading.  
Research design and implementation.  
Data reduction and verification.

### EDUCATION:

Ph.D. in quantitative psychology, The Ohio State University, 1972.  
M.A. in social psychology, The Ohio State University, 1970.  
B.A. with honors in social relations, Harvard College, 1967.  
Middlesex School, with honors, Concord, Massachusetts, 1963.

### PUBLICATIONS:

- "Familiarity and attraction to social and non-social objects by rats."  
Paper presented to the 79th convention of the American Psychological Association, September, 1971. PSYCHONOMIC SCIENCE, 26, 1972. With L. Sloan and B. Latane.
- "RATLOVE: Analysis of social behavior from two-dimensional position data." Behavioral Science, Computer Program Abstract, 17, 1972.
- "Analysis of variance for repeated measures designs: Two approaches."  
Research manuscript: Merston Center, The Ohio State University.  
PSYCHOLOGICAL BULLETIN, 80, 1973.
- "On the determination of appropriate dimensionality in data with error."  
PSYCHOMETRIKA, 39, 1974. With P. Issac.

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April 1979

Poor

PUBLICATIONS: (cont'd)

"Student data input through 'Intelligent' OMR." AEDS MONITOR, November, 1974.

"Invariance of multidimensional configurations." Ph.D. Dissertation in Quantitative Psychology, The Ohio State University, 1972.  
British Journal of Mathematical and Statistical Psychology, with R. Wherry.

ACADEMIC AWARDS, STIPENDS, AND PROFESSIONAL RECOGNITION:

1. National Science Foundation Undergraduate Research Participation Grant, Harvard College, 1966.
2. Merston Fellowship, Merston Center, The Ohio State University, 1967-1970.
3. Invited Guest, Multivariate Analysis Training Session, University of Chicago, August, 1971.
4. Manuscript reviews for PSYCHOMETRIKA, 1974, 1975.

UNPUBLISHED MANUSCRIPTS AND PRESENTATIONS:

"The social psychology of questionnaires." Undergraduate honors thesis. Department of Social Relations, Harvard College, 1967.

"COMEXP: Computer assisted experimentation." System specification and justification: report prepared for area of Social Psychology, Department of Psychology, The Ohio State University, 1967.

"Pressure effects in three conformity paradigms." M.A. thesis in Social Psychology, The Ohio State University, 1970.

"How to use M-D-SCAL version 6MP and other useful information" Computer program manual, Instruction and Research Computer Center, The Ohio State University, 1971.

"FIGURE: A program to prepare figures for publication." Computer program manual, Merston Center, The Ohio State University, 1971.

"Pseudo-dynamic core allocation for FORTRAN users, or: How to make your programs grow." Unpublished Manuscript, 1973.

"The REGISTER computer program." Technical report 74-6, Measurement and Research Center. Temple University, July, 1974.

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Poor

UNPUBLISHED MANUSCRIPTS AND PRESENTATIONS: (cont'd)

"Advanced Testing and Measurement" Workshop presented at ASMT Region II Seminar, November 16, 1973.

"Design of optical mark reading forms." Paper presented during conference on "Optical mark reading in higher education" March 12, 1975.



R E S U M E

O F  
ANTONIO NIBBS  
GROVE STREET  
HARRIMAN, N.Y. 10926  
(914) 783-4341

OBJECTIVE: To secure a responsible position in management.

EXPERIENCE:

August 1974 - Present

Manager - General Test Scoring Services.  
Psychological Corporation, 757 Third Avenue,  
N.Y.C., N.Y. 10017. EDP Scoring contact  
person for the division, liaison with EDP  
scoring contractors and responsibility for  
the major amount of divisions revenue; \$4,000,000.  
Key result Areas: Customer satisfaction, Billing,  
Record Maintenance, Scoring, Communications,  
Marketing.

August 1968 - August 1974

Coordinator - Special Testing Programs, Harcourt  
Brace Jovanovich, Inc., 757 Third Avenue, N.Y.C.,  
N.Y. 10017. Responsible for such function as de-  
livery/distribution of test materials to schools  
and school districts; formal price quotations and  
scoring specifications; Follow-through on scoring  
report distribution; liaison between test represen-  
tatives, contractors and customers.

July 1966 - July 1968

Vice President & Division Director. Trans Geogra-  
phic Trading Corporation, 49 Hudson Street, New York,  
N.Y. 10013. Responsible for implementation of direct  
sales marketing strategy of imported handicrafts,  
perfume, etc. Hired and trained sale force of 16.  
Revenue during first year of operation was \$250,000  
from sales.

February 1966 - July 1966

Senior Computer operator, Eastman Dillon Union  
Securities and Company, 80 Pine Street, N.Y.C.,  
N.Y. Swing Shift and night shift H200/H800 senior  
computer operator; a highly sophisticated system  
involving eleven tape drives and three printers.  
Completed various corporate reports; profit and  
loss, financial statements, Dividends, Profit shar-  
ing, etc.

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CONTINUED

SERVICE HIGHLIGHTS

1962 - 1966

Supervisor

PAMI CONUS, Bainbridge MD.

Supervised and trained personnel in the operation of 3 16K 6 tape 1460's. This installation maintains personnel accounting for all naval reserve and active duty personnel stationed within the United States. These personnel are assigned to 3,000 stations which submit daily and monthly documents to report personnel changes. Mailing addresses are maintained current for all naval reserve personnel (600,000). Reports rendered are the basis for naval reserve policy decisions relative to strength, mobilization potential, monetary request and personnel ceilings. Reports are rendered daily (25), Weekly (600), monthly (100), semiannually (5), and annually (10).

EDUCATION

1977 - B.A., Fordham University, N.Y.C.

SUPPLEMENTAL EDUCATION

- 1979 - Dale Carnegie Institute, N.Y.C., Management Seminar
- 1968 - MRC Optical Scanner Programming & Maintenance - Measurement Research Center, Iowa City, Iowa
- 1965 - IBM 360 concept/programming, Philadelphia, Pa.
- 1964 - IBM course in 1460 computer programming, Bainbridge, MD.
- 1963 - IBM course in 1401 computer programming, Bainbridge, MD.
- 1962 - IBM course in Electronic Accounting Machines (sorters, interpreters, reproducers, 407, keypunch) operations/wiring, Bainbridge, MD.

PERSONAL

BORN: 12/26/42 U.S. Virgin Islands  
Married - 2 children  
Health - Excellent; no physical limitations  
Hobbies - Numismatic & antiques

"REFERENCES AND FURTHER DATA ON REQUEST"

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## REPORT ON CONSULTANTS

MAY 25 1981

NO. 4

Name of State Agency: S. C. Department of Highways and Public Works **STATE BUDGET & CONTROL BOARD**Date of Report: May 18, 1981 Prepared by: E. S. Coffey-State Highway EngineerName of Consultant or Firm: Parsons Brinckerhoff Quade & Douglas, Inc.Address of Consultant or Firm: Peachtree & Broad Building, Suite 400, Atlanta, Ga. 30303

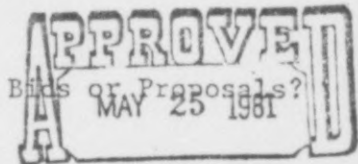
## Terms of Consultant Contract:

Beginning Date: June 15, 1981 Ending Date December 15, 1981Rate of Pay: Cost + fixed fee; Maximum under this contract: \$ 45,000Source of Funds: Federal Aid Interstate Funds - 90% Federal Participation - 10% State Participation

## Purpose or Goal of Consultant:

The purpose of this Study is to prepare the Economic Impacts portion of the overall Environmental Impact Statement (EIS) meeting Federal and State requirements for proposed improvements to a section of I-85 in Spartanburg County, South Carolina. These highway improvements will involve a highway section approximately 10 miles in length, extending from near the intersection of S. C. 129 and I-85 west of the City of Spartanburg to a point just west of the intersection of US 221 and I-85 north of Spartanburg. The primary study for preparation of the EIS will cover a corridor approximately two miles wide and 10 miles long along this highway section.

Was this Individual or Firm Selected through the Submission of Bids or Proposals?

Yes XXNo       If yes, How many Bids or Proposals were Received? 4

STATE BUDGET AND CONTROL BOARD

The consultant firm of Parsons Brinckerhoff Quade and Douglas was selected for the following reasons:

This firm is based in Atlanta, Georgia and has considerable experience and a national reputation for preparation of Environmental Impact Statements for highway projects and also extensive experience in highway engineering work. These qualities, coupled with the firm's staff and capability for conducting economic studies, gave the firm a great advantage over the other companies being considered for this work. And although the economist who would be doing the bulk of the economic analysis would be working out of New York, the nearby Atlanta office would be providing the principle direction and leadership for the overall study. The amount of time the company estimated to complete the work was realistic. Also, this firm encouraged the Department's involvement in the study process as a learning experience for this type study.

This contract represents the first work this consultant has done for the Highway Dept.

The three other firms interviewed for this contract are listed below in the order of preference: Hammer, Siler and George Associates - Atlanta, Georgia

Post, Buckley, Schuh & Jernigan and Real Estate Research Corporation -  
Columbia, S. C. & Chicago, Illinois

CE Maguire, Inc. - Spartanburg, S. C.

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SOUTH CAROLINA

DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

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

May 20, 1981

MAY 20 1981

EXHIBIT

MAY 25 1981 NO. 4

STATE BUDGET & CONTROL BOARD

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

Subject: Economic Impact Study - Interstate Route 85 - Spartanburg County

Dear Mr. Putnam:

Please find the attached documents and information relative to the above subject:

1. Copy of an agreement tentatively agreed upon between the Department and the Consulting Firm of Parsons Brinckerhoff Quade and Douglas, Inc. to perform the subject study.
2. Copy of "Report on Consultants" form.
3. Documentation as to the reason for selecting the firm of Parsons Brinckerhoff Quade and Douglas, Inc. (Inserted on Report on Consultants form)
4. Statement that this is the first contract awarded to this consultant by the Highway Department (Inserted on Report on Consultants form)
5. List of three additional firms interviewed for work in order of preference. (Inserted on Report on Consultants form)
6. Copy of newspaper ad soliciting services of consultants to conduct the study.

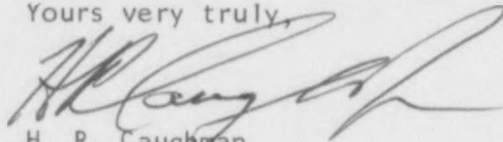
The Department has reviewed the attached agreement and concurs in the contents contained therein. The agreement is currently being reviewed by the FHWA. In order to expedite the execution of this agreement and the authorization for this firm to proceed with this work, we would appreciate the Budget and Control Boards' simultaneous review of the agreement with FHWA. Should there be any significant changes in the agreement we will so advise your office.

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Mr. William T. Putnam  
May 20, 1981  
Page 2.

If additional information is desired, please advise.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'H. R. Caughman', written in a cursive style.

H. R. Caughman  
Deputy State Highway Engineer

Attachments

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TO ALL CONSULTING ENGINEERING FIRMS: The South Carolina Department of Highways and Public Transportation is soliciting the services of a consulting engineering firm for the purpose of conducting economic impact studies for a section of I-85 in Spartanburg County, South Carolina. The economic impacts will be included in an environmental impact statement being prepared by the South Carolina Department of Highways and Public Transportation.

The area involved in these economic impact studies is approximately ten (10) miles in length, extending from near the intersection of S.C. 129 and I-85 west of Spartanburg to a point just west of the U.S. 221 and I-85 intersection north of Spartanburg. Economic studies will be required along three separate locations of improvement as well as a study of economic impact if no improvement is provided. The three separate locations for improvements are as follows:

- (1) Improvement of existing I-85 in its present location.
- (2) A new location for I-85, constructed to interstate standards, north of existing I-85.
- (3) A new location for I-85, constructed to interstate standards, south of existing I-85.

Proposed new location routes will be furnished by the South Carolina Department of Highways and Public Transportation. Proposed economic impact studies are to be performed in accordance with Federal Highway Administration guidelines.

Consulting firms interested in being considered for this work should submit a current resume of qualifications and at least one copy of a recent economic impact study indicative of the firm's qualifications for performing this type work. A list of all contracts the firm has executed on state work in the past two years should also be included. All information should be submitted to Mr. E. S. Coffey, State Highway Engineer, South Carolina Department of Highways and Public Transportation, P. O. Box 191, Columbia, South Carolina, 29202, no later than November 3, 1980.



# EXHIBIT

MAY 25 1981 NO. 4

STATE BUDGET & CONTROL BOARD

AGREEMENT FOR ECONOMIC IMPACT STUDY OF INTERSTATE ROUTE 85 IMPROVEMENTS  
IN SPARTANBURG COUNTY

between

The South Carolina Department of Highways and Public Transportation

and

Parsons Brinckerhoff Quade & Douglas, Inc., Atlanta, Georgia

This CONTRACT constitutes the sole and entire AGREEMENT between the contractor, the South Carolina Department of Highways and Public Transportation (hereinafter known as the DEPARTMENT) and the contractee, Parsons Brinckerhoff Quade & Douglas, Inc., Atlanta, Georgia (hereinafter known as the CONSULTANT) The AGREEMENT as set forth below, will be met by the parties hereto. No representation, promise, or inducement not included in this CONTRACT shall be binding on either party. Any subsequent addition and/or correction to this AGREEMENT shall be separately signed by all parties and be attached to and become part of this AGREEMENT.

WITNESSETH THAT:

WHEREAS, the DEPARTMENT proposes improvements to a section of I-85 in Spartanburg County, South Carolina, and has solicited consulting services to prepare an Economic Study for land use and development impacts of the overall Environmental Impact Statement (EIS) (hereinafter called the "PROJECT"),

AND

WHEREAS, THE CONSULTANT has submitted a proposal dated January 28, 1981, which outlined an approach for such PROJECT, which proposal is acceptable to the DEPARTMENT.

NOW, THEREFORE, for the consideration hereinafter set forth, the Parties hereto do mutually agree as follows:

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#### FIRST: CONTRACT DURATION AND SCOPE OF SERVICES

This CONTRACT will become effective upon its approval and endorsement by the DEPARTMENT, Federal Highway Administration, and the CONSULTANT, and shall remain in effect until the CONSULTANT has rendered in a satisfactory and proper manner the services set forth in Appendix A, which is attached hereto and made part of this AGREEMENT. The CONSULTANT shall submit a draft Economic Impact Study to the DEPARTMENT within (6) months from Notice to Proceed.

#### SECOND: DATA TO BE FURNISHED BY THE DEPARTMENT

Data to be furnished by the DEPARTMENT to the CONSULTANT at no cost to the CONSULTANT, consists of new location routes, preliminary engineering and geotechnical studies on the feasibility of construction for relocation alternatives, maps specifying alternative alignments, typical cross sections and other required information in sufficient detail to complete the PROJECT.

#### THIRD: COMPENSATION

The DEPARTMENT shall reimburse the CONSULTANT for the performance of services under this AGREEMENT on a cost plus fixed fee basis not to exceed Forty-five Thousand Dollars (\$45,000), which includes a fixed fee of \$3,480.00, which shall be compensation in full for the CONSULTANT's salary, overhead, profit and expenses as outlined in Appendix C.

The CONSULTANT shall not be obligated to perform services or incur costs which would cause its total compensation under this Agreement to exceed \$45,000 nor shall the Department be obligated to reimburse the CONSULTANT for costs or make payments which would cause the total compensation paid to the CONSULTANT to exceed \$45,000, unless and until the Department shall have notified the CONSULTANT in writing that the total compensation has been increased and further specifies in such notice a revised total compensation amount against which the obligation of the parties shall be payable in accordance with this Article.

#### FOURTH: PAYMENT

Invoices shall be submitted every four (4) weeks to the DEPARTMENT based on the CONSULTANT's actual costs incurred in that invoice period or prior periods plus a pro rata portion of the fixed fee based on the percentage of cost incurred against the total. Invoices shall be paid to the CONSULTANT within twenty one (21) days of presentation to the DEPARTMENT, provided the work is performed in accord with this AGREEMENT and is acceptable to the DEPARTMENT.

The CONSULTANT shall submit invoices in triplicate to the DEPARTMENT's Environmental Program Administrator. The invoices shall be itemized to reflect detailed expenditures.

The final invoice shall be submitted to the DEPARTMENT upon completion of the services herein described. Payment of the final invoice will be within 60 days of the DEPARTMENT's determination that all work herein described has been completed.

All payments are for reimbursable costs actually incurred during the billing period.

The DEPARTMENT retains the right to withhold up to 5% of the fixed fee value until satisfactory completion of all work.

The cost principle procedures set forth in Parts 1-15.2 of the Federal Procurement Regulations and FHPM 30-11 have been utilized by the DEPARTMENT to determine the allowability of individual items in the preaward audit evaluation.

The CONSULTANT shall maintain accounting records and evidence pertaining to the costs incurred and make such records available to the DEPARTMENT at its office at all reasonable times during the contract period and for three (3) years from the date of the final payment of Federal funds with respect to this study. Such accounting records and other evidence pertaining to the costs incurred will be made available for inspection by the DEPARTMENT, FHWA, or any other authorized representative of the Federal Government, and copies thereof shall be furnished if requested at cost.

#### FIFTH: INDEPENDENT CONTRACTOR

The CONSULTANT represents that it has, or will secure, at its own expense, all personnel required in performing its services under this AGREEMENT. Such personnel shall not be employees of, nor have any contractual relationship with the DEPARTMENT. The CONSULTANT, consistent with its status as an independent contractor, further agrees that its personnel will not hold themselves out as, nor claim to be, officers or employees of the DEPARTMENT by reason of this AGREEMENT.

The CONSULTANT will be responsible for performing all of the work described herein and detailed in Appendix A, with the exception of photographic or printing work. Sub-contractors may be used for these duties only. Use of sub-contractors shall in no way constitute a waiver by the DEPARTMENT of any rights to which it is entitled by law or pursuant to provisions of this contract.

#### SIXTH: INSURANCE

The CONSULTANT shall effect and maintain insurance at its own cost and expense to protect itself from claims under Worker's Compensation Acts; from claims for damages because of bodily injury including sickness, disease or death of any of its employees; from claims for damages because of injury to or destruction of tangible property; and from claims arising



out of the performance of professional services caused by errors, omissions, or negligent acts for which it is legally liable.

The CONSULTANT shall furnish the DEPARTMENT with certificate of insurance showing the CONSULTANT has complied with this Article which certificates shall provide that thirty (30) days prior written notification of cancellation of the policies shall be given to the DEPARTMENT.

#### SEVENTH: PROTECTION FOR CONTRACTING AUTHORITY

Any and all of the employees of the CONSULTANT, while engaged in the performance of any work or services required by the DEPARTMENT under this contract, shall be considered employees of Parsons Brinckerhoff Quade and Douglas, Inc. only and not of the DEPARTMENT, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of said employees while so engaged shall be the sole obligation and responsibility of the CONSULTANT. The CONSULTANT shall assume all risks of injury to persons or property arising out of its sole negligent acts, errors or omissions in the performance of work under this contract and shall indemnify and save harmless the DEPARTMENT against all claims, causes of action (cost and expense), on account of bodily injuries to, and death of persons, and damages to property arising from the sole negligent acts, errors or omissions of Parsons Brinckerhoff Quade and Douglas, Inc. in connection with the prosecution of the work under this contract. The consultant shall make this article applicable to any subcontracts.

#### EIGHTH: CHANGES

Any alteration, extension, supplement, or modification of the scope of work, method of study or budget as detailed in this contract and the attached Appendix A shall be agreed to in writing by all parties hereto.

The DEPARTMENT may request the CONSULTANT to perform extra services not covered by the Scope of Services as set forth in Appendix A and the CONSULTANT shall perform such extra services and will be paid for such extra services when the scope and compensation therefore are reduced to writing and signed by the Parties hereto, amending this AGREEMENT accordingly.

The DEPARTMENT shall not be liable for payment of any extra services nor shall the CONSULTANT be obligated to perform any extra services except upon such written amendment.

#### NINTH: DELAYS

Should the CONSULTANT or any sub-contractor encounter any difficulty arising from unforeseeable causes which delays or threatens to delay the timely performance of this contract, the CONSULTANT shall immediately give notice thereof in writing to the Environmental Program Administrator stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed

as a waiver by the DEPARTMENT of any rights or remedies to which it is entitled by law or pursuant to provisions of this contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay. Excusable delays may include, but are not restricted to, acts of God, or the public enemy, acts of the DEPARTMENT in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the CONSULTANT or the sub-contractor.

The CONSULTANT agrees to insert the substance of this clause, including this paragraph, in any subcontract hereunder, except that each such subcontract shall provide that in the event its timely performance is delayed or threatened by delay, the sub-contractor shall immediately notify Parsons Brinckerhoff Quade and Douglas, Inc. of all relevant information with respect thereto.

#### TENTH: CONTRACT DURATION

The Economic Impact study shall adhere to the Scope of Services outlined in Appendix A and shall be prepared in a form and manner consistent with Federal Highway Administration guidelines for preparation of Environmental Impact Statements. The CONSULTANT shall submit three copies of the draft Economic Impact Study to the DEPARTMENT's Environmental Program Administrator.

The report shall be in a format that can be inserted, without revision, in the appropriate places of the Draft Environmental Impact Statement for this project. Specifically, this would include report segments which address existing or baseline economic conditions, as well as the major thrust of the study which will include evaluation of economic effects to help determine probable impact of the project on the environment.

No pre-draft report shall be distributed to any agency, institution or individual without the expressed, written permission of the DEPARTMENT's Environmental Program Administrator. The draft report shall be thorough and shall contain all available information outlined in Appendix A. The draft shall contain all charts, figures, tables, plates and maps that are to appear in the final report.

The DEPARTMENT shall review the draft report and submit any comments to the CONSULTANT for action no more than 14 days from receipt of the draft report. The CONSULTANT shall incorporate DEPARTMENT comments into the report and submit a final Economic Impact Study in camera-ready form to the DEPARTMENT.

Any rejection of the draft manuscript by the DEPARTMENT shall be for specific cause conveyed in writing to the CONSULTANT. A satisfactory report shall be submitted to the DEPARTMENT no later than 30 days from the receipt of the review draft by CONSULTANT.

#### ELEVENTH: PUBLICATIONS AND PUBLICITY

It is further agreed that the original records generated by this study are to be furnished to the DEPARTMENT upon completion of the work. No reports including any portions, or drafts of such, shall be released to the public or any other parties without the permission of the DEPARTMENT. Although the DEPARTMENT has complete and sole authority for the distribution and publication of the final report, the CONSULTANT may publish particular, limited, aspects of the study, as deemed professionally proper. All publications of the investigation or any of the results of the investigation shall contain a statement of the contractual relations between the parties involved and shall provide adequate credit to the authors of the report. Both written and oral releases are considered to be within the context of publication.

The CONSULTANT shall refer any requests it receives for information of the terms and/or conditions of this agreement to the DEPARTMENT's Environmental Program Administrator.

#### TWELFTH: OWNERSHIP OF DOCUMENTS

The Parties hereto agree that the DEPARTMENT shall have ownership and retain possession of all data, and other documents prepared by the CONSULTANT on the PROJECT. The CONSULTANT may keep copies for record purposes.

All records and data collected by the CONSULTANT under this contract shall remain in the ownership of the people of the United States. The DEPARTMENT shall be responsible to ensure that reports and related data developed from this study is properly stored and maintained; and that it remains available for public review. Variation of this policy is left to the sole discretion of the DEPARTMENT's Environmental Program Administrator.

#### THIRTEENTH: INSPECTION OF WORK

The DEPARTMENT and the FHWA shall be accorded proper facilities for review and inspection of the work hereunder and shall at all reasonable times have access to all records, correspondence, instructions, receipts, vouchers, memoranda of every description pertaining to the work hereunder. All reviews and inspections by the FHWA will be arranged through the DEPARTMENT.

#### FOURTEENTH: PROPRIETARY RIGHTS

The parties to this CONTRACT hereby mutually agree that, if patentable discoveries or inventions should result from work described herein, all rights occurring from such discoveries or inventions shall be the sole property of the CONSULTANT; however, the CONSULTANT agrees to and does hereby grant to all State Highway Departments and the United States Government an irrevocable, nonexclusive non-transferable and royalty-free license to practice each invention in the manufacture, use and disposition, according to law, of any article or material, and in the use of any method that may be developed as a part of the work under this CONTRACT.



FIFTEENTH: COVENANT AGAINST CONTINGENT FEES

The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee of PARSONS BRINCKERHOFF QUADE AND DOUGLAS, INC., to solicit or secure this agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee of PARSONS BRINCKERHOFF QUADE AND DOUGLAS, INC., any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this AGREEMENT. For breach or violation of this warranty, the State shall have the right to annul this AGREEMENT without liability, or, in its discretion to deduct from the AGREEMENT price of consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

SIXTEENTH: SUCCESSORS AND ASSIGNS

The CONSULTANT shall not assign, sublet, sell, transfer or otherwise dispose of any interest in this AGREEMENT without the prior approval of the DEPARTMENT.

This AGREEMENT shall be binding upon and inure to the benefit of the Parties hereto, their successors and permitted assigns, but shall not inure to the benefit of any third party or other person.

SEVENTEENTH: NON WAIVER

No failure or waiver or successive failures or waivers on the part of either Party hereto, their successors or permitted assigns, in the enforcement of any Condition, Covenant or Article of this AGREEMENT shall operate as a discharge of any such Condition, Covenant or Article nor render the same invalid, nor impair the right of either Party hereto, their successors or permitted assigns, to enforce the same in the event of any subsequent breaches by the other Party hereto, its successors or permitted assigns.

EIGHTEENTH: NOTIFICATION

All notices required or permitted under this AGREEMENT shall be in writing and shall be deemed sufficiently served if served by Registered Mail addressed as follows:

To DEPARTMENT:

South Carolina Department of Highways and Public Transportation

P. O. Box 191

Columbia, South Carolina 29202

Attention: E. S. Coffey, State Highway Engineer

# EXHIBIT

MAY 25 1981 NO. 4

To CONSULTANT:

STATE BUDGET & CONTROL BOARD

Parsons Brinckerhoff Quade & Douglas, Inc.

Peachtree and Broad Building, Suite 400

Atlanta, Georgia 30303

Attention: Arthur G. Bendelius, Vice President

## NINETEENTH: COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

During the performance of this CONTRACT, the CONSULTANT, for itself, its assignees and successors in interest agrees as follows:

1. The CONSULTANT will comply with the Regulations of the Department of Commerce relative to nondiscrimination of Federally-assisted programs of the Department of Commerce (Title 15, Code of Federal Regulations, Part 8, hereinafter referred to as Regulations), which are herein incorporated by reference and made part of this CONTRACT.

2. The CONSULTANT, with regard to the work performed by it after award and prior to completion of the contract work, will not discriminate on the ground of race, color, or national origin in the selection and retention of sub-contractors, including procurements of materials and leases of equipment. The CONSULTANT will not participate either directly or indirectly in the discrimination prohibited by Section 8.4 of the Regulations, including employment practices when the contract covers a program set forth in Appendix A-11 of the Regulations.

3. In all solicitations either by competitive bidding or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by the CONSULTANT of the CONSULTANT's obligations under this CONTRACT and the Regulations relative to nondiscrimination on the ground of race, color, or national origin.

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

5. In the event of the CONSULTANT's noncompliance with the nondiscrimination provisions of this CONTRACT, the DEPARTMENT shall impose such CONTRACT sanctions as it or the FHWA may determine to be appropriate, including, but not limited to,

a. withholding of payments to the CONSULTANT until compliance, and/or

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

6. The CONSULTANT will include the provisions of paragraph (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The CONSULTANT will take such action with respect to any subcontract or procurement as the DEPARTMENT or FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the CONSULTANT becomes involved in, or threatened with litigation with a sub-contractor or supplier as a result of such direction, the CONSULTANT may request the DEPARTMENT to enter into such litigation to protect the interests of the DEPARTMENT, and in addition the CONSULTANT may request the United States to enter into such litigation to protect the interests of the United States.

#### TWENTIETH: DISPUTES

Should any dispute concerning a question of fact or quality in connection with this contract arise, both parties do agree to put forth all possible effort to reach a negotiated agreement.

Any and all claims, disputes, and other matters in question arising out of or relating to this AGREEMENT or the breach thereof which is not disposed of by mutual agreement of the Parties hereto shall be decided by the Environmental Program Administrator.

#### TWENTY FIRST: APPLICABLE LAW

This AGREEMENT shall be governed by and construed in accordance with all Federal, state, and local ordinances applicable to the conduct of investigation under this CONTRACT. The CONSULTANT shall also comply with the provisions of Appendix B, attached hereto and made a part of this AGREEMENT.

#### TWENTY SECOND: TERMINATION

In the event of unforeseen situations or conditions this agreement may be terminated by either party hereto by giving written notice to the other party 30 days in advance of a specified date of termination. This AGREEMENT may also be terminated by the DEPARTMENT for its convenience or because the PROJECT has been permanently abandoned but only upon 30 days written



notice to the CONSULTANT. In the event of termination, the DEPARTMENT shall compensate the CONSULTANT for all services performed up to the effective date of termination for which the CONSULTANT has not been previously compensated. Upon receipt of notice of termination from the DEPARTMENT, the CONSULTANT shall discontinue its services unless otherwise directed and deliver to the DEPARTMENT all data, drawings, maps, reports, estimates, summaries, and such other information and materials as may have been accumulated by the CONSULTANT in the performance of this AGREEMENT, whether completed or in process.

TWENTY THIRD: EXTENT OF AGREEMENT

This AGREEMENT represents the entire and integrated agreement between the DEPARTMENT and the CONSULTANT and supersedes and replaces all terms and conditions of any prior agreements, arrangements, negotiations or representations, written or oral with respect to this PROJECT.

In Witness Whereof, the parties have executed this agreement by their duly authorized officers.

THE SOUTH CAROLINA DEPARTMENT OF  
HIGHWAYS AND PUBLIC TRANSPORTATION

PARSONS BRINCKERHOFF QUADE & DOUGLAS, INC.  
ATLANTA, GEORGIA

\_\_\_\_\_  
Date: \_\_\_\_\_  
Paul W. Cobb  
Chief Highway Commissioner

\_\_\_\_\_  
Date: \_\_\_\_\_  
Arthur G. Bendelius  
Vice President

\_\_\_\_\_  
Date: \_\_\_\_\_  
E. S. Coffey  
State Highway Engineer

\_\_\_\_\_  
Date: \_\_\_\_\_  
Witness

\_\_\_\_\_  
Date: \_\_\_\_\_  
Witness

\_\_\_\_\_  
Date: \_\_\_\_\_  
Witness

\_\_\_\_\_  
Date: \_\_\_\_\_  
Witness

FEDERAL HIGHWAY ADMINISTRATION, CONCURRENCE WITH AGREEMENT AND ATTACHED  
APPENDICES

\_\_\_\_\_  
Date: \_\_\_\_\_  
B. G. Cloyd  
Division Administrator

22457

CERTIFICATION OF CONSULTANT

I hereby certify that I am the \_\_\_\_\_ and duly authorized representative of the consulting firm of Parsons Brinckerhoff Quade & Douglas, Inc. whose address is Atlanta, Georgia, and that neither I nor the above firm I here represent has:

(a) employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this agreement;

(b) agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out the agreement, or

(c) paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above consultant) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out the agreement;

except as here expressly stated (if any):

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

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)  
Vice President

22458



CERTIFICATION OF STATE HIGHWAY DEPARTMENT

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

(a) employ or retain, or agree to employ or retain, any firm or person, or

(b) pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind;

except as here expressly stated (if any):

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

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

22459

## APPENDIX A

### SCOPE OF SERVICES

The purpose of this Study is to prepare the Economic Impacts portion of the overall Environmental Impact Statement (EIS) meeting Federal and State requirements for proposed improvements to a section of I-85 in Spartanburg County, South Carolina. These highway improvements will involve a highway section approximately 10 miles in length, extending from near the intersection of S. C. 129 and I-85 west of the City of Spartanburg to a point just west of the intersection of US 221 and I-85 north of Spartanburg. The primary study for preparation of the EIS will cover a corridor approximately two miles wide and 10 miles long along this highway section.

#### Alternatives

Analysis to be conducted for the Economic Impact Study will address the following alternatives for improvement of the section of I-85 defined above:

1. Improvement of the existing I-85 roadway in its present location.
2. A new location for I-85, constructed to interstate standards, north of the existing I-85 location.
3. A new location for I-85, constructed to interstate standards, south of the existing I-85 location.
4. A no-build alternative.

## TASK 1.00 DEFINITION OF TASKS

### Task Objectives

Identify critical issues, formulate scope, plan, organize and implement services consistent with the Department requirements and policies and with applicable sections of Federal and State environmental impact requirements.

Coordinate with the project's environmental and engineering analyses, direct contact and continuous liaison with the Department and coordination with all of the concerned South Carolina, Federal and regional agencies. The management and agency coordination services indicated above shall include:

### Subtask 1.01 Mobilize Project Staff

Mobilize and maintain a project organization staffed with competent personnel in the Consultant's Atlanta and New York offices, as required for efficient execution of the services.

### Subtask 1.02 Identify Critical Issues

Interview involved citizens, groups and governmental agencies to secure local input with respect to the identification of critical issues.

### Subtask 1.03 Maintain Schedule and Conduct Task Reviews

Maintain the schedule of the tasks outlined in this Scope of Services. Monitor and conduct reviews of all work to maintain compliance with task objectives.



Advise the Department of anticipated delays and actions taken to reasonably alleviate such delays. Also, advise the Department of actions required by it or other agencies to avoid or alleviate delays.

#### Subtask 1.04 Maintain Project Control

Maintain a reliable monitoring and cost control system and provide the Department with periodic reports on the relationship of work progress and resources expended. Exchange information with the Department staff, and other agencies as required, to implement the task objectives.

### TASK 2 DATA COLLECTION

#### Task Objectives

Identify, collect and review existing relevant data and pertinent studies.

#### Subtask 2.01 Define Physical and Operational Characteristics

The Department will provide all available data related to existing physical characteristics of the affected transportation system in the study area, such as: as-built plans and profiles of existing roadways, bridges, and other facilities; utility maps and plans; soils data; and any other existing plans, profiles and construction cost estimates developed during any previous studies of the proposed alternatives.

In addition, the Department will provide topographic mapping of the study area, highway and bridge design criteria and standards, and other data critical to defining base conditions in the study area.

#### Subtask 2.02 Review Traffic Forecasts

Review Department prepared traffic data including volumes forecasted for each alternative.

#### Subtask 2.03 Delineate Study Region

Delineate, in coordination with the Department, the Study region for economic impact analysis.

#### Subtask 2.04 Compile Baseline Economic Data

Compile and review relevant baseline economic data. Such information will include all available data concerning regional demographic characteristics including population trends and forecasts; data on current regional economic growth; land use patterns and development trends; and information on local government revenue sources and expenditures. Principle sources of information will include census materials, local and regional planning reports and interviews with local planners, economic development administrators and other representatives of government and private business organizations in the Spartanburg region.

#### Subtask 2.05 Review Regional and Local Plans

Previous studies to be identified, collected and reviewed include: previous related studies of proposed alternatives; traffic and transportation studies for the study area; relevant land use and development plans for the area; available studies of the physical environment of the study area, including studies related to air quality, noise, water resources, ecology, flood plains, wetlands, and parklands; pertinent socio-economic studies, including demographic, community resources, and landmark historic resources; studies of transit system facilities, services and plans; and other studies critical to accomplishing the stated work plans.

### TASK 3.00 LAND USE AND ECONOMIC DEVELOPMENT IMPACTS

#### Task Objective

Describe the existing and projected land use and socioeconomic context of the Study area. The Consultant will evaluate development trends affecting each of the primary project alternatives (three build and one no-build). The following describes the subtasks concerning short and long range impacts on land use and urban growth, as well as economic and fiscal matters:

#### Subtask 3.01 Perform Cost-Benefit Evaluation

Develop a comparative analysis of the benefits and costs of alternatives and an assessment of the potential for net socioeconomic benefit. The principal categories of benefit will include:

- a. Travel time and cost savings to highway users diverted to the new highway.
- b. Travel time and cost savings to highway users who continue to use existing roads within the network but would benefit from reduced congestion as a result of the proposed improvements.
- c. Savings due to reduced accident costs.

The principal categories of cost will be construction and annual operating and maintenance costs.

#### Subtask 3.02 Identify Potential Displacement Effects

Using information developed by the Department identifying necessary relocation of businesses and residents, evaluate the economic impacts resulting from displacement and relocation for each alternative. In



addition to the economic costs associated with the displacement of businesses and residences, the potential for disruption of local business and the effects of noise and difficulties in access during construction will be assessed.

#### Subtask 3.03 Project Effects on Land Use Patterns

The purpose of this work element is to determine whether the project is likely to have measurable effects on (a) the rate of urban growth within the impact area, (b) the distribution of growth within the impact area, and (c) the form (i.e. density, type of land use) of growth. Each of these potential impacts will be considered against the background of a trend projection so that the impacts of the proposed project can be identified. To the extent necessary, the effects of the various alternatives will be separately identified.

The existing and projected development patterns in the study area will be described assuming none of the build alternatives are implemented. The projections prepared by local and regional planning agencies will be examined. This will provide the basis for evaluation of the land use and development consequences of implementation of a project alternative. An inventory of recent development trends in the study area will focus on commercial, industrial and residential development.

In estimating potential shifts in development patterns as a result of the Project, principal emphasis will be given to changes in travel cost relative to the trend development case. Based on the travel cost differences between the "no-build" case and each of the alternatives with significantly different travel cost impacts, the trend development forecast will be reallocated.

Subtask 3.04 Evaluate Impacts on Local Government Revenues and Expenditures

Evaluate the potential of each alternative to influence development patterns and their varying impacts on net resource requirements (schools, water and sewer services, general government services, etc.

Subtask 3.05 Evaluate Impacts on the Spartanburg CBD

An analysis will be conducted to evaluate the effects of the proposed I-85 highway improvements on the Spartanburg CBD. Attention will be given to determining the differential effects on the City of improving the existing roadway, the northern relocation alternative and the southern relocation alternative in terms of regional development patterns.

Subtask 3.06 Evaluate Impact on Regional Income and Employment

Construction of one of the build alternatives would represent a substantial investment within the region with effects on income and employment, particularly on the construction trades. The Consultant will assess three categories of impacts:

- o The direct effects of each of the project alternatives in creating construction jobs.
- o The indirect effects which may occur in the industries which supply materials and services for road and bridge construction.
- o The induced "multiplier effects" resulting from both the preceding categories of impacts.

Subtask 3.07 Evaluate Energy Impacts

The energy impact analysis will determine the relative energy impacts of the project alternatives. The analysis will describe the amount of energy consumed in the operation of each of the proposed alternatives and will be

based on available data related to highway fuel consumption.

Subtask 3.08 Review Compatibility of Project Alternatives with Local and Regional Plans

Projection of changes likely to be induced by implementation of one of the selected project alternatives will be compared with land use plans for the impact study area developed by local and regional agencies. The likely effects of the project alternatives will be addressed, particularly with respect to shifting or modifying the location or type of future development in the project study area because of changes in accessibility or land values. The Consultant will establish the compatibility of the build alternatives with the no-build plans by means of a review of pertinent local planning documents, supplemented by information from public participation activities. Also included will be an assessment of how these potential development shifts conflict with or conform to the current Federal urban policies.

TASK 4 REPORT PREPARATION AND PUBLIC HEARINGS

A draft of the Economic Impact Study will be submitted to the Department for review and comment. Following receipt of the Department's comments, a final economic impact report will be submitted in camera-ready copy.

A summary of the final economic impact report will be submitted to the Department in a form ready for use in the DEIS.

The Consultant will attend one public hearing following preparation of the DEIS by the Department, and will be prepared to answer questions relating to the economic impact study.



## APPENDIX B

### REQUIREMENTS OF THE U. S. DEPARTMENT OF TRANSPORTATION

#### 1. Inspection of Records

The CONSULTANTS shall permit the authorized representatives of the DEPARTMENT, the Federal Highway Administration of the U. S. Department of Transportation and the Comptroller General of the United States, to inspect all data and records of the CONSULTANT relating to his performance under this AGREEMENT.

#### 2. Equal Employment Opportunity

In connection with the execution of this AGREEMENT, the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The CONSULTANT shall take affirmative action to insure that applicants are employed and that employees are treated during their employment, without regard to their race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.

#### 3. Interest of Members of or Delegates to Congress

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this AGREEMENT or to any benefit

arising therefrom.

4. Interest of Public Officials

No member, officer or employee of the DEPARTMENT or of a local public body during his tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this AGREEMENT or of the proceeds thereof.

5. Clean Air Act of 1970

Services performed by the CONSULTANT shall be in compliance with the provisions of the Clear Air Act of 1970, 42 USCS, Sections 1857-1857f.

6. Minority Business Enterprise

In connection with the performance of this AGREEMENT, the CONSULTANT shall cooperate with the DEPARTMENT in meeting its commitments and goals with regard to the maximum utilization of minority business enterprises and will use its best efforts to insure that minority business enterprises shall have the maximum practicable opportunity to compete for services under this AGREEMENT.

7. Subcontracts

The CONSULTANT will cause the foregoing provisions to be inserted in all subcontracts for any services covered by this AGREEMENT so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts for standard commercial supplies or raw materials or to individual subconsultants.

APPENDIX C

COSTS

<u>Direct Labor</u>	<u>Person Days</u>	<u>Rate Per Day</u>	<u>Cost</u>
Division Manager	3	194	\$ 582.00
Senior Economist	48	128	6,144.00
Planner/Economist	47	104	4,888.00
Jr. Planner Economist	28	88	2,464.00
Clerical	10	64	640.00
Total	136		<u>\$14,718.00</u>
 <u>Overhead</u>			
\$13,950.00 x 135%			<u>19,878.00</u>
Sub total			34,596.00
 <u>Profit</u>			3,480.00
 <u>Travel</u>			
5 Trips, N.Y.-Spartanburg, S.C. at \$320.00			1,600.00
 <u>Subsistence</u>			
20 days at \$60.00 per day			1,200.00
 <u>Auto Expenses</u>			
8 Trips of 350 miles=2800 miles @\$ .22¢			616.00
Local travel-400 miles @\$ .22¢			88.00
 <u>Reproduction</u>			600.00
 <u>Communication</u>			720.00
 <u>Computer</u>			400.00
 <u>Purchase of Documents</u>			200.00
 <u>Report Production</u>			<u>\$ 1,500.00</u>
Total			<u>\$45,000.00</u>



EXHIBIT MAY 12 1981

MAY 25 1981

NO. 4

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

STATE BUDGET &amp; CONTROL BOARD

Name of State Agency: South Carolina State LibraryDate of Report: May 8, 1981Prepared by: Betty Q. Onley & Betty E. CallahanName of Consultant or Firm: Leslie Advertising AgencyAddress of Consultant or Firm: P. O. Box 6164-B, Greenville, South Carolina 29606

Terms of Consultant Contract:

Beginning Date: 7/1/81Ending Date: 6/30/82Rate of Pay: \$ 2,550 per quarter; Maximum under this contract: \$ 16,800Source of Funds: State-\$10,000 60 %; Federal-\$6,800 40 %; (    %).

Purpose or Goal of Consultant:

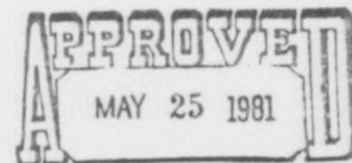
The purpose of the consultant is to interpret the objectives and functions of the statewide library programs; plans and carries out a statewide program of publicity and public relations designed to publicize the library and its services to the general public. He attempts to increase public understanding of library programs and awareness of services provided, thus building up the use of the library by individuals and groups in the community.

The Library Interpretation Project is aimed at strengthening the State Library and the public and institutional libraries of South Carolina. It supports both the state and LSCA programs. It is hoped through increasing the understanding of the role of the library in the life of today to make the library and its services an integral part of every community activity whether it be professional, business, educational or recreational.

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?           

This arrangement was made approximately 16 years ago with approval of our Assistant Attorney General. With one interruption on the occasion when we tried to use another firm, we learned that extensive time consuming orientation and much trial and error experience is necessary for a public relation concern to master the specialized need of this program.



STATE BUDGET AND CONTROL BOARD

*W. A. McJannet*

22471



# The South Carolina State Library

1500 Senate Street

P. O. Box 11469

Columbia, South Carolina 29211

PHONE 758-3181

May 8, 1981

MAY 12 1981

EXHIBIT

MAY 25 1981 NO. 4

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
Division of General Services  
Wade Hampton Office Building - Room 212  
Columbia, South Carolina 29201

Dear Mr. McInnis:

I am enclosing copies of the prospectus for 1981-82 from Leslie Advertising Agency. Also enclosed are copies of the Report on Consultants form for your approval.

If further information is needed please let me know.

Sincerely yours,

Betty E. Callaham  
Librarian

*Betty Q. Onley*  
Betty Q. Onley  
Business Manager

BQO:gwm

Enclosures: 1981-82 prospectus from Leslie Advertising Agency  
Report on Consultants form

22472

STATE AUDITOR'S OFFICE

REPORT ON CONSULTANTS

Name of State Agency: South Carolina State Library

Date of Report: May 8, 1981

Betty D. Onley & Betty E. Callahan

Name of Consultant or Firm: Leslie Advertising Agency

Address of Consultant or Firm: P. O. Box 6164-B, Greenville, South Carolina 29606

Terms of Consultant Contract:

Beginning Date: 7/1/81

Ending Date: 6/30/82

Rate of Pay: \$ 2,550 per quarter, Maximum under this contract: \$ 16,800

Source of Funds: State-\$10,000 (60%); Federal-\$6,800 (40%); \_\_\_\_\_ ( %).

Purpose or Goal of Consultant:

The purpose of the consultant is to interpret the objectives and functions of the statewide library programs; plans and carries out a statewide program of publicity and public relations designed to publicize the library and its services to the general public. He attempts to increase public understanding of library programs and awareness of services provided, thus building up the use of the library by individuals and groups in the community.

The Library Interpretation Project is aimed at strengthening the State Library and the public and institutional libraries of South Carolina. It supports both the state and LSCA programs. It is hoped through increasing the understanding of the role of the library in the life of today to make the library and its services an integral part of every community activity whether it be professional, business, educational or recreational.

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? \_\_\_\_\_

This arrangement was made approximately 16 years ago with approval of our Assistant Attorney General. With one interruption on the occasion when we tried to use another firm, we learned that extensive time consuming orientation and much trial and error experience is necessary for a public relation concern to master the specialized need of this program.

22473



THE SOUTH CAROLINA STATE LIBRARY

Library Interpretation Program

PROSPECTUS

July 1, 1981 - June 30, 1982

4/22/81

22474

I. OBJECTIVES

The Library Interpretation Program for The South Carolina State Library has nine objectives:

1. To encourage greater use of The State Library's facilities and resources by state government personnel.
2. To more fully inform the general public about existing public and state institutional library services, to encourage greater use of these library services by more and more people.
3. To stimulate public interest and create support for the constant improvement of public, college, special and state institutional library services and facilities.
4. To reach the non-library user plus specific groups such as visually and physically handicapped, urban and rural disadvantaged, and non-English speaking peoples with information about available library service.
5. To support programs of other state agencies and other groups which will strengthen "the reading and learning experience" and offer the state's citizens continuing educational and informational opportunities through library resources.
6. To support a program of interlibrary cooperation that will assure a more efficient utilization of the state's library resources. This includes increasing awareness of the necessity of resource sharing and promoting support for a statewide bibliographic network.
7. To create awareness in and offer guidance toward sound county-level, public relations programs for librarians, their staffs, their board members and "Friends" groups.
8. To support the total program of children's services. Emphasis will be placed on promoting the 1981 Children's Summer Reading Program.
9. To support, as needed, the History of Public Libraries in South Carolina which will be prepared for publication during the year.

II. AGENCY SERVICE

Leslie Public Relations is to direct an imaginative, aggressive public relations program within the framework

7. Exhibits, Signs, Posters, Displays & Presentations

Copy and artwork will be prepared by Leslie. All printing and/or sign work will be coordinated through the State Printing Office.

8. Printed Materials

Special flyers, reprints of special articles, and other "onetime" printed materials will be accomplished as needed to promote specialized activities and projects. Copy and artwork will be prepared by Leslie. Actual printing will be done through the State Printing Office.

IV. SUBJECT AREAS

1. News Releases

- a. Continuing development of Statewide Library Network --creating Library image as Information Center.
- b. Extension of library service to the urban and rural disadvantaged. -- "OUTREACH"
- c. State Plan for Library Development
- d. Southeastern Network (SOLINET) and SOLINET Clusters Demonstration project.
- e. Publication of State Documents Checklist
- f. SCLA/NCLA Convention in Charlotte
- g. New/renovated library buildings throughout the state
- h. Library development in state institutions. The Library is considered a rehabilitation resource.
- i. Activities within the Division for the Blind and Physically Handicapped.
- j. State-aid grants
- k. State-aid campaign to increase per capita amounts
- l. State Library service for state government agencies and state employees.



- m. In-Service Training Program including new orientation and training programs for public library trustees.
- n. General articles for promoting reading, the use of libraries, etc.
- o. Personnel additions at the State Library and expansion of State Library services.
- p. Reference and Interlibrary Loan Service -- Business reference.
- q. Federal Government documents
- r. Programs of LSCA as funded for the year.
- s. Annual Report
- t. New programs of service to children, including The Magical Mad Hatter Summer Reading Program.
- u. Long-range plan for development of library service in South Carolina
- v. Expanded use of 16mm films in libraries
- w. Library use of technology and automation - including activities of the Interlibrary Task Force on Automation

## 2. Feature Article Possibilities

Library service to the urban and rural disadvantaged -- "Outreach".

Division for the Blind and Physically Handicapped.

Development of state institutional library service as it relates to rehabilitation.

How can the library help the businessman?

Periodicals -- breadth and depth of collections -- microfilm, etc.

"How To" article on crafts, emphasizing items for home decorating during Christmas season.

How well does your child read?

Investment and Business Resources.

Southeastern Network (SOLINET)

Interlibrary Loan Service and Information Center.

Contributions of library trustees -- specify several by name.

Financial support for libraries must keep up with inflation.

"Call Your Library" Campaign (Telephone reference)

### 3. Broadcast Announcements

- a. Read about where you're going on vacation.
- b. "Reading" for the Blind and Physically Handicapped.
- c. Staying up with economic events.
- d. Get a library "credit" card.
- e. Giving children books at Christmas.
- f. "Do you read to your children?"
- g. "Do your children see you reading?"
- h. Rediscover your library (after summer).
- i. Continue your education by using your public library.
- j. Reference service
- k. Good magazines are at your library -- back issues, too!
- l. New books come in every day at your library.

- m. From a "reliable source" -- your public library.
- n. Ecology
- o. Be a smarter consumer...read.
- p. Interlibrary cooperation
- q. Service to the rural and urban disadvantaged -- "Outreach"
- r. There's more at the library besides books -- films, records, works of art, speakers, classes, etc.

V. LOCAL LIBRARY PARTICIPATION

1. News Releases -- in certain cases, news releases prepared by Leslie will be sent to a local library for re-release with more local information.
2. Broadcast Interviews and Public Speaking -- a continuing effort will be made to have librarians and their staff members appear on television, radio and/or a by-line newspaper column on a regular basis. Librarians will be encouraged to seek speaking engagements before garden clubs, civic, fraternal and professional groups, student organizations and other formal organizations. (Lions Clubs are of special importance because of their programs of service to the blind.)
3. Booklists, Exhibits, Signs, Posters, etc. should be used both in the library and away from it. Putting displays in vacant store windows, bank lobbies, supplementing trimmed windows will help reach non-library users.
4. Visitors - Librarians and their staffs will be encouraged to have people visit the library for the purpose of seeing first hand the facilities. This is especially valuable with news media people -- to get them to use the library too! Other important groups are legislators, school teachers, businessmen's groups, etc. This is especially important now as libraries need increases in their financial support to keep pace with inflation.



VI. COLLATERAL ACTIVITIES

1. Leslie will provide new/renovated library building information and other public relations materials for the State Library's monthly Newsletter as required.
2. Mr. Copsey will visit selected libraries during the year.
3. Leslie will provide camera-ready artwork at prevailing rates for all collateral materials. Actual printing will be done through the State Printing Office.
4. The State Library will continue its clipping service. The clippings are sent from the service direct to the State Library.
5. Mr. Copsey will be available for speaking to library groups, workshops, etc., to explain this public relations program for The State Library, etc.

THE SOUTH CAROLINA STATE LIBRARY

Library Interpretation Program

July 1, 1981 - June 30, 1982

BUDGET

PRODUCTION & EXPENSES

Duplicating news releases; photographs, when necessary. Includes postage, telephone calls, film, radio & TV tapes, camera-ready artwork, but not actual printing costs; & extra travel expense, \$.15 per mile & \$25 per day maximum for food & lodging:

\$500/month (average)

\$6,000.00

PUBLIC RELATIONS SERVICE

\$900 per month. Includes creating all materials and administering program. Includes a minimum of eighteen conferences with The State Library's staff; travel costs for regular conferences; costs for special travel charged under expenses.

\$ 10,800.00

TOTAL

\$ 16,800.00

22481

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 5

BLUE AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

5

STATE BUDGET & CONTROL BOARD

Agency: USC - Lancaster

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

Please refer to attachments for details.

Board Action Requested:

Approve the USC - Lancaster selection of William B. Leland, Consulting Engineer, to provide an engineering survey of all heating and airconditioning systems in Hubbard Hall, Starr Hall and Medford Hall with recommendations for improvements and modifications to upgrade systems for a fee of \$1,000.

Staff Comment:

Attachments:

State Engineer's form plus attachments

22482



State Budget and Control Board  
Finance Division (Engineering)

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

1. Agency/Institution: (a) Name University of South Carolina - Lancaster

(b) Request Prepared By James E. Bass (Phone 777-3126) Date 5/5/81

2. Certification By Chief Financial Officer:

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

B. A. Daetwyler  
System V.P. for Finance

*B. A. Daetwyler*  
Typed Name and Signature of Chief Financial Officer

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

Not applicable.

4. Services To Be Performed:

Engineering survey of all heating and air conditioning systems in Hubbard Hall, Starr Hall and Medford Hall with recommendations for improvements and modifications to upgrade systems.

EXHIBIT

RECEIVED

MAY 0 8 1981

MAY 25 1981

NO. 5 S. C. BUDGET AND  
CONTROL BOARD

STATE BUDGET & CONTROL BOARD

5. Firm Selected: (a) Name: William B. Leland, Consulting Engineer

(b) Address: 126-B Williman Street, Charleston, S. C. 29403

6. Contract Terms: (a) Beginning Date: June 1, 1981 Ending Date: September 1, 1981

(b) Fee: \$1,000.00 (May not exceed \$4,000 under Section 10-5-110.)

(c) Fee Payment Schedule: Upon completion of study.

(d) Source of Funds: Operating funds.

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

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

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

22483



MEMBER  
NATIONAL SOCIETY OF  
PROFESSIONAL ENGINEERS

WILLIAM B. LELAND  
CONSULTING ENGINEER  
126-B WILLIMAN STREET  
CHARLESTON, SOUTH CAROLINA 29403

*Copies to: Mr. Bary  
Mr. Rink  
Mr. Hubler*

11 April 1981

TELEPHONE 803-723-7727  
S. C. REGISTRATION # 731  
N. C. REGISTRATION # 1031

RECEIVED

MAY 08 1981

S. C. BUDGET AND  
CONTROL BOARD

Dean James D. Camp,  
University of S.C. at Lancaster  
P.O. Box 370  
Lancaster, S.C. 29720

Subj: Campus HVAC Systems

Dear Dean Camp:

Thanks for your letter of March 31 concerning the data we sent you on McQuay fan coil units. We are enclosing a suggested specification you could use to get prices from interested mechanical contractors to do this work.

In response to your inquiry about us making a survey of your HVAC systems in the three buildings and giving you recommendations for possible improvements, we will be happy to do this if you can allow us a reasonable time for completion. We estimate this will require one day of field work, possibly two and two or three days to write the report. You would make available to us plans and specifications of these systems (specs desirable but not necessary). We would charge a fee of \$30.00 per hour and we estimate the total will not exceed \$1,000.00. The report would be completed in 2 to 3 months.

Sincerely yours,

*William B. Leland*  
William B. Leland, P.E.

WBL:mwp

CC: files

EXHIBIT  
MAY 25 1981  
NO. 5  
STATE BUDGET & CONTROL BOARD

22484



UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S. C. 29208

FACILITIES DESIGN AND ENGINEERING

May 6, 1981

EXHIBIT

MAY 25 1981 NO. 5

STATE BUDGET & CONTROL BOARD

Mr. John A. McPherson, Jr.  
Chief Engineer  
State Budget and Control Board  
P. O. Box 11333  
Columbia, South Carolina 29201

Subject: University of South Carolina - Lancaster  
Engineering Survey

Dear Mr. McPherson:

Enclosed please find a Request for Approval of Selection of Architectural or Engineering Firm Under "Small" Projects Procedure Form requesting permission to have Mr. William B. Leland provide an engineering survey of the heating and air conditioning systems in the three existing buildings of the Lancaster campus.

Some of these systems are not as efficient as they need to be and consequently some improvements need to be made.

Mr. Leland has said that he would provide these services for \$30.00 per hour not to exceed \$1,000.00. Please give us your authorization to hire him to perform this service. Should you have any questions regarding this request, please give me a call.

Sincerely yours,

*James E. Bass*  
James E. Bass, P.E.  
Manager, Facilities Design  
and Engineering

dw

Enclosure

RECEIVED

MAY 08 1981

S. C. BUDGET AND  
CONTROL BOARD



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 6

BLUE AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

6

## STATE BUDGET & CONTROL BOARD

Agency: Department of Highways and Public Transportation

Subject: A&E Selection Approval Request

Please refer to attachments for details.

Board Action Requested:

Approve the Department of Highways and Public Transportation selection of Harrington, George and Dunn, Atlanta, Georgia, to provide the services required in a project to widen the bridge over Fishing Creed and the bridge over SCL RR on US Route 21, SC Routes 97 and 200 in Chester County.

Staff Comment:

Attachments:

Form SE-1 plus attachments

22486

1/12/81

State Budget and Control Board  
Finance Division - State Engineer  
A & E SELECTION APPROVAL REQUEST

EXHIBIT

MAY 25 1981

NO. 6

(See instructions on back of this form.) STATE BUDGET &amp; CONTROL BOARD

1. Agency/Institution: S.C. Dept. of Highways and Public Transportation
2. Contact Person: J. R. Coleman, Bridge Engineer-Design Phone: 758-5109
3. Project Name: Widen Bridge over Fishing Creek & Bridge over SCL RR on U.S. Rt. 21/  
S.C. Rts. 97 & 200 in Chester County
4. Project Number and Description: \_\_\_\_\_  
File Nos. 12.530 & 12.530.1, F.A. Proj. Nos. BHF-128(79) & BHF-128(80)
5. Estimated Cost: (a) A&E Fees: \$46,797  
(b) Construction: \$466,000  
(c) Total Project: \$512,797
6. Source of Funds for Project: Federal Highway Administration (80%) State (20%)

## A/E FIRMS SELECTED:

Order of Preference	Firm		Reported State Work in Two Years Prior to Nov. 14, 1979 (Date this project first advertised)		
	Name	Location	A/E Contracts #	Fee Amount	Construction Costs
1	Harrington, George and Dunn	Atlanta, Ga.	0	0	0
2	Ralph Whitehead and Assoc.	Charlotte, N.C.	2	\$134,418	\$2,684,000
3	Davis & Floyd Engineers, Inc.	Greenwood, S.C.	2	\$891,000	\$10,740,000

\* \* \* \* \*

## CERTIFICATION BY STATE ENGINEER:

I have reviewed the documents submitted in support of this request for approval of an A&E selection and have determined that the selection procedure required by law and by Budget and Control Board policy has been followed.

*John M. Pherson*  
State Engineer

4-11-81  
Date

22487



SOUTH CAROLINA

DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

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

May 1, 1981

RECEIVED

MAY 07 1981

S. C. BUDGET AND  
CONTROL BOARD

EXHIBIT

MAY 25 1981

NO. 6

STATE BUDGET & CONTROL BOARD

Consultant Agreement with Harrington, George and Dunn for the Rating, Design and Preparation of Plans for Widening the Bridge over Fishing Creek (File No. 12.530, F.A. Project No. BHF-128(79)) and Seaboard Coast Line Railroad (File No. 12.530.1, F.A. Project No. BHF-128(80)) on U.S. Rt. 21 and S.C. Rts. 97 & 200 in Chester County

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

Dear Sir:

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

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

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

As a result of the interviews and further review of qualifications and ability to perform the work required, the firm of Harrington, George and Dunn of Atlanta, Georgia was selected to submit a proposal. Such proposal in the amount of \$46,797 was submitted and is attached as Appendix "A" to the proposed agreement, one copy of which is attached.

Please be advised that in selecting the firms to be interviewed, consideration was given to the amount of projects the firms have had with the State within the past two years. Attached is a list of all firms responding to our solicitation. A listing of all engineering contracts entered into by the Department within the last three (3) years is also attached. Please be advised that the firm of Harrington, George and Dunn has had no previous State contracts.

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# EXHIBIT

MAY 25 1981

NO. 6

State Auditor

STATE BUDGET & CONTROL BOARD <sup>Page 2</sup>

Also attached is one copy of Form SE-1, along with one copy of a list of State projects awarded to all consultants responding to our newspaper advertisements of November 14, 1979.

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

If additional information is required, please advise.

Yours very truly,

  
E. S. Coffey  
State Highway Engineer

Attachments

22489

RECEIVED

MAY 07 1981

S. C. BUDGET AND  
CONTROL BOARD

AGREEMENT BETWEEN

Harrington, George and Dunn  
Consulting Engineers

EXHIBIT

And

MAY 25 1981

NO. 6

South Carolina Department of Highways  
and Public Transportation

STATE BUDGET & CONTROL BOARD

\* \* \* \* \*

I. GENERAL RECITALS

THIS AGREEMENT AND CONTRACT, MADE AND ENTERED INTO THIS \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_, by and between Harrington, George and Dunn, P.C.  
\_\_\_\_\_, with principal offices at 1401 Peachtree St. N.E. Suite 120  
Atlanta, Georgia 30309, hereinafter designated the CONSULTANT,  
and the South Carolina Department of Highways and Public Transportation,  
Columbia, South Carolina, hereinafter designated the STATE.

WITNESSETH:

WHEREAS, the STATE desires to widen certain bridge structures  
on that section of the State Highway System designated as U.S. Route 21  
and S.C. Routes 97 and 200 north of Great Falls, S.C. in Chester County,  
and:

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

22490

structures as hereinafter more particularly described, and;

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

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

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

## II. DESCRIPTION OF PROJECTS

The bridge widenings covered by this Agreement are estimated by the STATE to cost \$466,000, and shall consist of the projects indicated in the list as follows:

<u>Item</u>	<u>County</u>	<u>Route</u>	<u>Crossing</u>	<u>Approximate Existing Length &amp; Width</u>			<u>Improvement</u>
1.	Chester	U.S. 21 & S.C. 97 & 200	Fishing Creek	285'+	X	22'+	Widen to 44' clear roadway
2.	Chester	U.S. 21 & S.C. 97 & 200	S.C.L. Railroad	125'+	X	22'+	Widen to 44' clear roadway



### III. SCOPE OF SERVICES

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

#### Phase A - Preliminary Design

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

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

the project, bridge plan-profiles, and bridge typical sections.

Applicable criteria, such as horizontal and vertical clearances, roadway dimensions and structural design, shall be included, along with preliminary estimates of quantities and costs. The STATE, upon request, will furnish unit cost data for similar type structures as may be available.

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

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

#### Phase B - Final Design

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

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

Upon completion of final plans, the CONSULTANT shall submit 3 complete sets of full-size white prints of the plans to the STATE for review. Four (4) additional sets will also be provided to the STATE for review by the owner of any affected railroad facilities. Following review and subsequent modification, if any, of plans by the CONSULTANT resulting from the aforementioned reviews the CONSULTANT shall complete the plans and furnish such to the STATE in suitable form for advertisement and construction. Upon request, the CONSULTANT will furnish the STATE a copy of the design calculations.

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

#### Phase C - Ratings

The CONSULTANT will analyze each existing as-built structure



as well as the new widened portion to obtain both the Inventory Rating and Operating Rating for the widened bridge. The criteria to be followed in computing these ratings shall be based on AASHTO's Manual for Maintenance Inspection of Bridges, 1978. The CONSULTANT shall submit to the STATE a written report stating the ratings as well as a brief description on the procedure followed in obtaining such ratings. Upon request, the CONSULTANT will furnish the STATE a copy of the calculations used in obtaining the ratings.

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

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

B. Any bridge surveys deemed necessary shall be made and furnished by the STATE.

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

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

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

V. GENERAL PROVISIONS

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

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

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

The CONSULTANT and his subcontractors shall keep and preserve all books, documents, papers, accounting records, and other evidence pertaining to cost incurred and to make such materials available at their respective offices at reasonable times during the contract period and

for three years from the date of final payment under the contract, for inspection by the STATE, FHWA, or any authorized representative of the Federal Government and copies thereof shall be furnished if requested.

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

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

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

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

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

The CONSULTANT warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage,



brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the STATE shall have the right to annul this contract without liability, or, in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

VI. CHANGES IN CONTRACT, TERMINATION  
OR ABANDONMENT OF CONTRACT

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

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

In any dispute concerning a question or fact in connection with the work of this Agreement, or compensation thereof, the decision of the

# EXHIBIT

MAY 25 1981 NO. 6

## STATE BUDGET & CONTROL BOARD

State Highway Engineer in the matter shall be final and conclusive for both parties.

### VII. DELAYS AND EXTENSIONS

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

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

### VIII. CONTROL

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

### IX. FEE

For engineering services described herein, the CONSULTANT shall be paid a total lump sum fee amount of Forty Six Thousand Seven Hundred Ninety Seven Dollars (\$46,797.00) for all items as listed and detailed

in Section II, in accordance with the fee schedule which is itemized in the attached summary sheet in Appendix A.

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

Partial payments shall be made to the CONSULTANT based upon the estimated completion of each structure plan and submission of monthly invoices to the STATE. Progress schedules showing the relative percent complete of the principal phases of work for each structure shall be submitted with the monthly invoices. Final payment to the CONSULTANT shall be made after review and approval of the shop plans and submission of a final invoice to the STATE by the CONSULTANT unless such phase shall have been deleted by the STATE.

All monthly payments will have a ten (10) percent retainer withheld until completion and acceptance of the construction plans for all structures listed under Section II and in Appendix A <sup>and the operational and inventory</sup>. Intermediate payments are to be made in accordance with items and phases on the summary sheet in Appendix A.

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

That portion of the CONSULTANT'S fee for Phase B work as shown

*ratings, in terms of HS truck loadings, have been received by the STATE.*

*JMG*



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

X. SCHEDULE

Work to be performed in Phases A and B shall commence immediately upon written notice to proceed. Phase A for all projects shall be completed by the CONSULTANT in 30 calendar days. Phase B for all projects shall be completed by the CONSULTANT in 60 calendar days after approval of Phase A work. Phase C for all projects shall be completed by the CONSULTANT in 60 calendar days after the completion of Phase B work. Phase C may be commenced during or immediately after the completion of Phase B without written notice to proceed.

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

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

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

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

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

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor, supplier or lessor shall be notified by the CONSULTANT of the CONSULTANT'S obligations under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex or national origin.

4. Information and Reports: The CONSULTANT shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by

the STATE or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a CONSULTANT is in the exclusive possession of another who fails or refuses to furnish this information, the CONSULTANT shall so certify to the STATE or the Federal Highway Administration as appropriate and shall set forth what efforts it has made to obtain the information.

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

- a. withholding of payments to the CONSULTANT under the Agreement until the CONSULTANT complies, and/or
- b. cancellation, termination or suspension of the Agreement in whole or in part.

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



## XII. CERTIFICATION OF CONSULTANT

I hereby certify that I am the President and duly authorized representative of the firm of Harrington, George and Dunn, P.C.  
                    , whose address is 1401 Peachtree St., N.E. Suite 120  
Atlanta, Georgia, and that neither I nor the above firm I here represent  
has:

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

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

28 March 80  
(Date)

B. H. Hays  
(Signature)

22505

XIII. CERTIFICATION OF STATE

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

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

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

4-17-81  
(Date)

  
(Signature)



XIV. SUCCESSORS AND ASSIGNS

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

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

Signed, sealed and executed for the CONSULTANT.

In the Presence of:

Harrington, George and Dunn, P.C.

William L. Dunn III  
Agnew

By: B. W. Harrington  
\_\_\_\_\_  
President  
(Title)

Signed, sealed and executed for the STATE.

ATTEST:

SOUTH CAROLINA DEPARTMENT OF HIGHWAYS  
AND PUBLIC TRANSPORTATION

L. D. Ragun  
Secretary-Treasurer

By: Paul W. Cobb  
Chief Commissioner

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

Carole M. Mikkelsen  
Elizabeth S. Cuvack

Recommended:

[Signature]  
State Highway Engineer

# APPENDIX A

## Determination of Engineer Fee

Item No. 1 & 2 , County Chester Route US-21, SC-97&200  
 Crossing Fishing Creek and Seaboard Coast Line Railroad

### I. Direct Payroll Costs

#### Phase A - Preliminary Design

Bridge Project Engineer	16	Manhours @	16.90 =	\$ 270.00
Senior Bridge Design Engineer	120	Manhours @	11.62 =	1,394.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	112	Manhours @	7.00 =	784.00
Junior Draftsman	--	Manhours @	-- =	--
	248		Subtotal =	\$ 2,448.00

#### Phase B - Final Design

Bridge Project Engineer	80	Manhours @	16.90 =	\$ 1,352.00
Senior Bridge Design Engineer	612	Manhours @	11.62 =	7,111.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	1000	Manhours @	7.00 =	7,000.00
Junior Draftsman	--	Manhours @	-- =	--
	1692		Subtotal =	\$ 15,463.00

#### Phase C - Ratings

Bridge Project Engineer	8	Manhours @	16.90 =	\$ 135.00
Senior Bridge Design Engineer	80	Manhours @	11.62 =	929.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	--	Manhours @	-- =	--
Junior Draftsman	--	Manhours @	-- =	--
	88		Subtotal =	\$ 1,064.00

Total Direct Payroll Costs = \$ 18,975.00

II. Direct Computer Costs, Printing & Travel = \$ 1,182.00

III. Overhead (1) = 113.25% of Direct Payroll Costs = \$ 21,489.00

IV. Profit = \$ 5,151.00

TOTAL FEE = \$ 46,797.00 ✓

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

# APPENDIX A

## Determination of Engineer Fee

Item No. 1, County Chester Route US-21, SC-97&200  
 Crossing Fishing Creek

### I. Direct Payroll Costs

#### Phase A - Preliminary Design

Bridge Project Engineer	8 Manhours @	16.90 =	\$ 135.00
Senior Bridge Design Engineer	80 Manhours @	11.62 =	930.00
Junior Bridge Design Engineer	-- Manhours @	-- =	--
Senior Draftsman	56 Manhours @	7.00 =	392.00
Junior Draftsman	-- Manhours @	-- =	--
	144	Subtotal =	\$ 1,457.00

#### Phase B - Final Design

Bridge Project Engineer	40 Manhours @	16.90 =	\$ 676.00
Senior Bridge Design Engineer	372 Manhours @	11.62 =	4,323.00
Junior Bridge Design Engineer	-- Manhours @	-- =	--
Senior Draftsman	492 Manhours @	7.00 =	3,444.00
Junior Draftsman	-- Manhours @	-- =	--
	904	Subtotal =	\$ 8,443.00

#### Phase C - Ratings

Bridge Project Engineer	4 Manhours @	16.90 =	\$ 67.00
Senior Bridge Design Engineer	40 Manhours @	11.62 =	465.00
Junior Bridge Design Engineer	Manhours @	=	=
Senior Draftsman	Manhours @	=	=
Junior Draftsman	Manhours @	=	=
	44	Subtotal =	\$ 532.00

Total Direct Payroll Cost = \$10,432.00

II. Direct Computer Costs, Printing & Travel = \$ 591.00

III. Overhead (1) = 113.25% of Direct Payroll Costs = \$11,814.00

IV. Profit = \$ 2,825.00

TOTAL FEE = \$25,662.00 ✓

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



# APPENDIX A

## Determination of Engineer Fee

Item No. 2, County Chester Route US-21, SC-97&200  
 Crossing Seaboard Coast Line Railroad

### I. Direct Payroll Costs

#### Phase A - Preliminary Design

Bridge Project Engineer	8	Manhours @	16.90 =	\$ 135.00
Senior Bridge Design Engineer	40	Manhours @	11.62 =	464.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	56	Manhours @	7.00 =	392.00
Junior Draftsman	--	Manhours @	-- =	--
	104	Subtotal	=	\$ 991.00

#### Phase B - Final Design

Bridge Project Engineer	40	Manhours @	16.90 =	\$ 676.00
Senior Bridge Design Engineer	240	Manhours @	11.62 =	2,788.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	508	Manhours @	7.00 =	3,556.00
Junior Draftsman	--	Manhours @	-- =	--
	788	Subtotal	=	\$ 7,020.00

#### Phase C - Ratings

Bridge Project Engineer	4	Manhours @	16.90 =	\$ 68.00
Senior Bridge Design Engineer	40	Manhours @	11.62 =	464.00
Junior Bridge Design Engineer	--	Manhours @	-- =	--
Senior Draftsman	--	Manhours @	-- =	--
Junior Draftsman	--	Manhours @	-- =	--
	44	Subtotal	=	\$ 532.00

Total Direct Payroll Costs = \$ 8,543.00

II. Direct Computer Costs, Printing & Travel = \$ 591.00

III. Overhead (1) = 113.25% of Direct Payroll Cost = \$ 9,675.00

IV. Profit = \$ 2,326.00

TOTAL FEE = \$ 21,135.00 ✓

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

# APPENDIX A

## Bridge Project Cost Summary

ITEM NO.	ROUTE NAME OR NUMBER	COUNTY	TYPE OF IMPROVEMENT	CROSSING DESCRIPTION	ESTIMATED CONSTRUCTION COST	LUMP SUM FEE DISTRIBUTION			TOTAL	APPROXIMATE LENGTH & WIDTH
						PHASE A	PHASE B	PHASE C		
1	US-21	Chester	Bridge Widening	Fishing Creek	200,000	3584	20769	1309	25,662	285 x 22
	SC-97									
	SC-200									
2	US-21	Chester	Bridge Widening	S C L	400,000	2452	17367	1316	21,135	125 x 22
4-1										
					TOTAL PROJECT	6036	38136	2625	46,797	

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

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

22511

# APPENDIX "A"

## ESTIMATE NUMBER OF DRAWINGS

<u>Item</u>	<u>Crossing</u>	<u>Bridge</u>	<u>Estimated Drawings Informational</u>	<u>Total</u>
1	Fishing Creek	9	13 *	22
2	S C L Railroad	10	13 *	23

\*Includes As Built drawings  
\*Includes As Built drawings



APPENDIX "A"

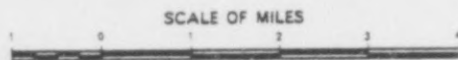
RATES OF PAY  
FOR DIRECT LABOR COSTS  
BRIDGE PROJECTS

<u>Employee Classification</u>	<u>Average Base Pay Per Hour</u>
Project Engineer	16.90
Senior Design Engineer	11.62
Junior Design Engineer	---
Senior Draftsman	7.00
Junior Draftsman	---



# GENERAL HIGHWAY MAP CHESTER COUNTY SOUTH CAROLINA

PREPARED BY THE  
S. C. DEPT. OF HIGHWAYS & PUBLIC TRANSPORTATION  
IN COOPERATION WITH THE  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
BUREAU OF PUBLIC ROADS



1968

POLYCONIC PROJECTION

COMPILED FROM CONTROLLED AERIAL PHOTOGRAPHS AND RURAL ROAD INVENTORY  
PLANE COORDINATES SOUTH CAROLINA NORTH ZONE IN THOUSANDS OF FEET SOUTH

THIS MAP AND LARGE SCALE MAPS OF ALL INCORPORATED CITIES AND TOWNS AND UNINCORPORATED AREAS OUTLINED ON THIS MAP ARE AVAILABLE AT NOMINAL COST

S. C. Dept. of Highways & Public Transportation  
Map Sales Room, Siles N. Peerman Building  
Columbia, S. C. 29202 Phone 755-3001

GENERAL HIGHWAY MAP CHESTER COUNTY SOUTH CAROLINA

22514

Contracts for State Work Awarded Within Last Two Years  
to Consultant Firms Responding to Newspaper Advertisement  
of November 14, 1979

Firm and Location	No. Con- tracts Awarded	Consultant Fee	Estimated Construction Cost
ARVID GRANT & ASSOC. OLYMPIA, WASHINGTON	0	0	0
CENTURY SOUTHERN INC. WITH MODJESKI AND MASTERS GREENVILLE, S. C.	1	\$259,300	\$3,783,000
DAVIS & FLOYD ENGINEERS, INC. GREENWOOD, S. C.	2	\$891,000	\$10,740,000
DE LEUW, CATHER & COMPANY ATLANTA, GEORGIA	0	0	0
ENWRIGHT ASSOCIATES, INC. COLUMBIA & GREENVILLE, S. C.	2	*	\$4,950,000
FIGG & MULLER ENGINEERS, INC. TALLAHASSEE, FLORIDA	1	\$65,325	- - -
HARRINGTON, GEORGE AND DUNN ATLANTA, GEORGIA	0	0	0

\* This information not furnished by Consultant



Contracts for State Work Awarded Within Last Two Years  
to Consultant Firms Responding to Newspaper Advertisement  
of November 14, 1979

Firm and Location	No. Con- tracts Awarded	Consultant Fee	Estimated Construction Cost
HAYES, SEAY, MATTERN & MATTERN WITH PALMER & BAKER ENGINEERS, INC., CHARLESTON, S. C.	1	*	\$68,000,000
HENSLEY - SCHMIDT, INC. ATLANTA, GEORGIA	2	\$575,521	\$37,500,000
HOWARD NEEDLES TAMMEN & BERGENDOFF ATLANTA, GEORGIA	2	\$446,524	\$5,814,000.00
JOHN J. HARTE ASSOC., ATLANTA, GA. WITH LINDBERG ASSOC., NORTH CHARLESTON, S. C.	*	*	*
PATCHEN, MINGLEDORFF & ASSOCIATES, INC. AUGUSTA, GEORGIA	3	*	\$845,557
PRYBYLOWSKI AND GRAVINO, INC. ATLANTA, GEORGIA	0	0	0
RALPH WHITEHEAD AND ASSOCIATES, CHARLOTTE, NORTH CAROLINA	2	\$134,418	\$2,684,000

\* This information not furnished by Consultant

Contracts for State Work Awarded Within Last Two Years  
to Consultant Firms Responding to Newspaper Advertisement  
of November 14, 1979

Firm and Location	No. Con- tracts Awarded	Consultant Fee	Estimated Construction Cost
TALBERT, COX & ASSOCIATES, INC. WEST COLUMBIA, S. C.	*	*	*
WILBUR SMITH AND ASSOCIATES, COLUMBIA, S. C. WITH ENGINEERING COMPUTER CORP., SACRAMENTO, CALIFORNIA	14	*	See attached statement

\* This information not furnished by Consultant

RECEIVED

MAY 07 1981

S. C. BUDGET AND  
CONTROL BOARD

LISTING OF CONSULTANT FIRMS RESPONDING

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

22518



AFFIDAVIT  
OF  
PUBLICATION

☒ **The News and Courier**

☐ **THE EVENING POST**

State of South Carolina

County of Charleston

Personally appeared before me

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

(copy attached)

appeared in the issues of said newspaper(s)

on the following day(s):

NOV. 14, 1979

at a cost of \$ 29.50

Acct. #72754

Subscribed and sworn to

before me this 15th day

of NOV.

A.D. 1979

*Denby W. Weeks*  
NOTARY PUBLIC, S.C.

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission expires September 9, 1984

(Form #3020)

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MAY 07 1981

S. C. BUDGET AND  
CONTROL BOARD

NOTICE

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

1. Reconstruct (or replace)  
Bridge over Savannah River - Rt.  
26 - McCormick Co.
  2. Widen Overpass over Southern  
Rwy. - Road S-21 - Greenville Co.
  3. Twin Bridges over Congaree  
River - Rt. 1-326 - Lexing-  
ton/Richland Cos.
  4. Overpass over Rt. 1-126 and  
Arrowood Road - Richland Co.
  5. Overpass over Arrowood Road  
- Rt. 1-126 - Richland Co.
  6. Reconstruct Bridge over Wa-  
teree River - Rts. 76 & 378 -  
Richland/Sumter Cos.
  7. Replace Bridge over Catawba  
River - Rts. 97 & 200 - Ches-  
ter/Lancaster Cos.
  8. Widen Bridge over Fishing  
Creek - Rts. 21, 97 & 200 - Chester  
Co.
  9. Widen Overpass over SCL RR -  
Rts. 21, 97 & 200 - Chester Co.
  10. Replace Bridge over Stono  
River - Road S-20 - Charleston  
Co.
  11. Replace Bridge over Dawhoo  
River - Rt. 174 - Charleston Co.
- Consulting firms interested in  
being considered for any or all of  
these projects should submit let-  
ters of interest and also a current  
resume of qualifications, unless  
such is presently on file with the  
Department, to Mr. E. S. Coffey,  
State Highway Engineer, South  
Carolina Department of High-  
ways and Public Transportation,  
P.O. Box 191, Columbia, South  
Carolina 29202 no later than No-  
vember 30, 1979. Firms submit-  
ting a letter of interest must  
include a list of all contracts,  
including construction costs, the  
firm has executed for State agen-  
cies in the past two years.

22519

**THE GREENVILLE NEWS—PIEDMONT COMPANY**

POST OFFICE BOX 1688

GREENVILLE, SOUTH CAROLINA 29602

AFFIDAVIT

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

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

newspaper printed and published in the City of Greenville, in

the State of South Carolina. That the attached advertisement

appearing in 4 3/4 inches in the issue

of November 14, 1979

*Allen Dedwyler*

Sworn to and subscribed before me

this 15th day of November 19 79

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

Total Due \$ \_\_\_\_\_

GNP-81016-R-12/77

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

1. Reconstruct (or replace) Bridge over Savannah River — Rt. 28 — McCormick Co.
2. Widen Overpass over Southern Rwy. — Road 5-21 — Greenville Co.
3. Twin Bridges over Congaree River — Rt. 1-328 — Lexington /Richland Co.
4. Overpass over Rt. 1-126 and Arrowood Road — Richland Co.
5. Overpass over Arrowood Road — Rt. 1-126 — Richland Co.
6. Reconstruct Bridge over Wateree River — Rts. 76 & 378 — Richland/Spartan Co.
7. Replace Bridge over Catawba River — Rts. 97 & 200 — Chester/Lancaster Co.
8. Widen Bridge over Fishing Creek — Rts. 21, 97 & 200 — Chester Co.
9. Widen Overpass over SCL RR — Rts. 21, 97 & 200 — Chester Co.
10. Replace Bridge over Stono River — Road 5-20 — Charleston Co.
11. Replace Bridge over Dadehoo River — Rt. 174 — Charleston Co.

Consulting firms interested in being considered for any or all of these projects should submit letters of interest and also a current resume of qualifications, unless such is presently on file with the Department, to Mr. E. S. Coffey, State Highway Engineer, South Carolina Department of Highways and Public Transportation, P.O. Box 191, Columbia, South Carolina 29202 no later than November 1, 1979. Firms submitting a letter of interest must include a list of all contracts including construction costs. The firm has executed for State agencies in the past two years. \$2786

22520

COLUMBIA NEWSPAPERS, INC.

Columbia, South Carolina

Publishers of

The State

Mornings and Sunday

AND

The Columbia Record

Evenings except Sunday

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

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

NOTICE-TO ALL CONSULTING FIRMS  
11 PLANS FOR CONSTRUCTION  
P 0 027130

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

Nov. 14, 1979

Lu Anne Prosser

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

John R. [Signature]

Notary Public

EXHIBIT

MAY 25 1981 NO. 6

STATE BUDGET & CONTROL BOARD

NOTICE

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

1. Reconstruct (or replace) Bridge over Savannah River - Rt. 28 - McCormick Co.
2. Widen Overpass over Southern Rwy. - Road 5-21 - Greenville Co.
3. Twin Bridges over Congaree River - Rt. 1-326 - Lexington/Richland Cos.
4. Overpass over Rt. 1-126 and Arrowood Road - Richland Co.
5. Overpass over Arrowood Road - Rt. 1-126 - Richland Co.
6. Reconstruct Bridge over Wateree River - Rts. 76 & 378 - Richland/Sumter Cos.
7. Replace Bridge over Catawba River - Rts. 97 & 200 - Chester/Lancaster Cos.
8. Widen Bridge over Fishing Creek - Rts. 21, 97 & 200 - Chester Co.
9. Widen Overpass over SCL RR - Rts. 21, 97 & 200 - Chester Co.
10. Replace Bridge over Stone River - Road 5-20 - Charleston Co.
11. Replace Bridge over Dawhoo River - Rt. 174 - Charleston Co.

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

22521



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

MAY 25 1981

NO. **7**

ITEM NUMBER 1

STATE BUDGET & CONTROL BOARD

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Agency: Motor Vehicle Management

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Subject: Management Review Procedures

To be presented at the meeting.

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Board Action Requested:

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Staff Comment:

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Attachments:

22522

EXHIBIT

MAY 25 1981 NO. 7

STATE BUDGET & CONTROL BOARD

# STATE BUDGET AND CONTROL BOARD

DIVISION OF MOTOR VEHICLE MANAGEMENT

MANAGEMENT REVIEW

1980



PRESENTED TO THE GENERAL ASSEMBLY OF SOUTH CAROLINA  
AND  
THE STATE BUDGET AND CONTROL BOARD  
MAY 15, 1981

22523



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

EXHIBIT

MAY 25 1981 NO. 7

STATE BUDGET & CONTROL BOARD

ALLAN J. SPENCE  
DIRECTOR  
PHONE (803) 756-7814

May 15, 1981

The Honorable Richard W. Riley,  
Governor of South Carolina  
Members of the South Carolina General Assembly  
Members of the State Budget and Control Board  
The State House  
Columbia, South Carolina 29201

Sirs:

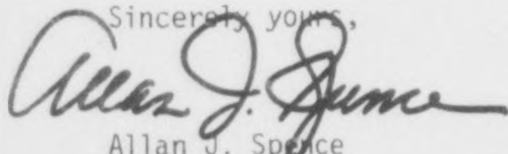
It is our pleasure to transmit herewith the 1980 Management Review pursuant to Section 1-11-260 of the Code of Laws of South Carolina, 1976, as amended.

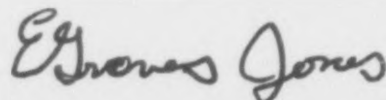
This being our first report, we have summarized the actions taken by both the State Budget and Control Board and the General Assembly as they relate to the various sections of the report.

Overall, the implementation of the Motor Vehicle Management Act has been successful due in large to the cooperation and attention given by most agency directors. With the initial cost of the state's vehicle fleet in excess of \$100 million, proper management on the part of these individuals has been and will continue to be the key to successful fleet management.

On behalf of the Division of Motor Vehicle Management and the Motor Vehicle Management Council, we hope that the enclosed will be beneficial to you.

Sincerely yours,

  
Allan J. Spence  
Director

  
E. Graves Jones, Chairman  
Motor Vehicle Management Council

/mr

22524



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## GLOSSARY OF TERMS AND ABBREVIATIONS

SBCB	-	State Budget and Control Board
LAC	-	Legislative Audit Council
MVMC	-	Motor Vehicle Management Council
DMVM	-	Division of Motor Vehicle Management
PA	-	Permanent Assignment
POV	-	Privately Owned Vehicle
MVMIS	-	Motor Vehicle Management Information System
GVW	-	Gross Vehicle Weight
DHPT	-	Department of Highways and Public Transportation

Motor Vehicle Management Act - Section 1-11-220 of the Code of Laws of South Carolina, 1976, as amended

Legislative Study Committee - The Joint Legislative Study Committee created in 1979 by Resolution S 572 to study management of state-owned motor vehicles

Life-cycle Costing - A procurement technique which considers operating, maintenance, acquisition price, and other costs of ownership in the award of contracts to ensure that the item acquired will result in the lowest total ownership cost during the time the item's function is required.



## INTRODUCTION

The Division of Motor Vehicle Management was initially created by the State Budget and Control Board on May 27, 1975. A director was appointed to prepare, promulgate, monitor and enforce motor vehicle management regulations approved by the Budget and Control Board and to actively provide motor vehicle fleet management and technical assistance to the agencies.

The Division was authorized by statute in Act 644 of 1978 (the 1978-79 Appropriation Act, Part II, Section 24). That legislation assigns the responsibility for developing and administering a comprehensive fleet management program to the Board. It also provides for a three-member Motor Vehicle Management Council (appointed by the Board and confirmed by the Senate) to advise the Board, to supervise the Division and to hear appeals against the enforcement of regulations promulgated by the Board.

The legislation also requires the Fleet Manager and the Motor Vehicle Management Council to report annually to the State Budget and Control Board and the General Assembly concerning the performance of each state agency in achieving the objectives enumerated in the Act. Included also in this report are recommended revisions to the Act and rules and regulations.

In order to accomplish this mandate, the Division in 1979 established a Management Review section. This section is responsible to the Fleet Manager for preparing the annual Management Review report as well as monitoring and recommending improvements in the practices utilized by the various state agencies in managing their motor vehicle fleets.

The Management Review for 1979, which was scheduled as the first report, was suspended upon passage of a concurrent resolution by the Legislature.

This resolution established a joint legislative study committee to review the rules and regulations promulgated by the SBCB and to recommend any changes. Their report is available as Appendix I.

As a result of the Legislative Study Committee, the Fleet Manager and the Motor Vehicle Management Council recommended certain amendments to the Motor Vehicle Management Act. These amendments were approved by the SBCB on March 25, 1981, and are available in Chapter 8 of this report.

For the 1980 Management Review, the Division conducted interviews with approximately 35 state agencies. Those agencies not interviewed were asked to complete a questionnaire concerning activities relating to the management of vehicles under their operation. The Division then compiled all of the data available from the agencies and using other available sources, reported and made recommendations in various areas. For brevity, a summary of the interviews and questionnaires is available as Appendix II.

In making recommendations, sources are not footnoted; rather, they are noted within the text or are available in the bibliography.

## SUMMARY AND RECOMMENDATIONS

The Division of Motor Vehicle Management (DMVM) found that significant steps have been taken to properly manage the motor vehicle fleet of the State of South Carolina since passage of the Motor Vehicle Management Act. Through conscientious and objective management on the part of agency directors, most state agencies appear to be in compliance with the laws, rules and regulations governing state-owned motor vehicles. However, there are still improvements and refinements that should be made in order to achieve maximum cost-effective management of the state's motor vehicle fleet.

### Assignment and Use

-- Permanent assignments of vehicles to employees for exclusive use have been reevaluated by most agency directors. Positive steps have been taken to assign vehicles based on need in situations clearly beneficial to the State. Assignments based on position and prestige are present, but not to the extent as they were in FY 76-77. DMVM records indicate there are approximately 1,723 vehicles permanently assigned to individuals.

-- The multiple use interagency motor pool operated by the DMVM has been placed under the direction of a professional vehicle manager who has reduced assignments of vehicles driven less than 1,200 official miles per month. The motor pool now has five times more vehicles available for daily dispatch than were available in FY 76-77. Additionally, motor pool vehicles are more fuel efficient now than they were in FY 76-77.

-- Reimbursement for travel in privately-owned vehicles (P.O.V.'s) appears to have stabilized. However, there are still too many agencies allowing official travel in P.O.V.'s without inquiring as to the availability



of a state-owned vehicle. Fifty percent of the official travel for FY 79-80 was in P.O.V.'s. If 25% of the miles traveled in P.O.V.'s had been in state vehicles, the State could have saved over a quarter of a million dollars.

-- Reduced appropriations for replacement vehicles accompanied by the inflation factor have increased the average age of fleet vehicles. These factors have also increased the fleet cost per mile. Less than \$9 million is available in FY 81-82 for new vehicles and most of these funds appear to be for trucks and task-related vehicles.

-- The number of reported misuses and abuses of state vehicles has dropped sharply, but reports of employees speeding in state-owned vehicles are increasing. During the period January 1 - December 31, 1980, 53 state employees involved in traffic accidents in state-owned vehicles were cited for speeding.

#### Recommendations

1. *Permanent assignments of state-owned vehicles should be limited to situations clearly beneficial to the State. Assignments made for the sole benefit of the employee should be revoked. Position and prestige should not be justification for the assignment of motor vehicles.*
2. *Agency directors should continue to monitor and evaluate travel, limiting unnecessary permanent assignments, thereby making more vehicles available in motor pools.*
3. *Employees should be required to certify that a state-owned vehicle was not available when requesting reimbursement to reduce travel in P.O.V.'s.*

4. *Administrative procedures need to be established providing for a reprimand when employees are fined for speeding in state-owned vehicles. The Commander of the Highway Patrol should direct the officers under his control to make no exceptions for state employees observed speeding. Each county and municipality should cite state employees when observed disregarding posted speed limits. Copies of all citations issued by municipalities, counties and the State Highway Patrol should be sent to the Division of Motor Vehicle Management for preparation of a monthly report listing all state employees charged with speeding to be presented to the State Budget and Control Board quarterly.*
5. *Mileage criteria for permanent assignment of a state-owned vehicle should be revised to require 11,000 annual official miles or 900 monthly official miles be traveled before exclusive assignment is made.*

#### Identification

-- Most agencies have complied with the requirement of identifying vehicles with permanent "SG" tags and state or agency seal decals. Those not complying appear to be vehicles limited to senior agency officials and a few employees considered to be law enforcement officers but with limited line law enforcement duties.

-- State-owned vehicles through identification appear to be more noticeable in the public eye. This has resulted in less complaints alleging misuses of state-owned vehicles. The DMVM received 83 complaints alleging personal use of state-owned vehicles in 1978-79. This figure

dropped to 66 in FY 79-80 and 19 for the first three quarters of FY 80-81.

-- There is a lack of uniformity resulting in certain officials with assigned vehicles displaying state or agency seals while others are not.

#### Recommendations

1. The State needs to require senior agency officials to either display state or agency seal decals or exempt these officials from this requirement. During the review, the DMVM found that no uniformity of identification was required resulting in certain officials having assigned vehicles displaying state or agency seals while others did not.
2. A policy needs to be established to provide for a uniform identification plan. However, those vehicles presently not displaying the seals without approval through the appeals procedure are in violation of Section 1-11-320 of The Code of Laws of South Carolina, 1976, as amended.
3. Agencies should continue to evaluate their definition of "full-time line law enforcement officer" in accordance with the guidelines issued by the State Budget and Control Board.

#### Maintenance and Gasoline Purchases

-- The maintenance system recommended by the LAC in 1978 and mandated by the Motor Vehicle Management Act has not been implemented. Agencies are still duplicating maintenance services with no uniformity of purchasing, inventory or maintaining supplies available.

-- There are still too many motor pools within reasonable distances of each other. The DMVM is presently conducting a study to determine the



feasibility of consolidating the maintenance facilities in the Charleston area.

-- The universal credit card has been implemented with limited exceptions. However, various cards are used by different vehicles, except those used by the DMVM where each card is embossed with the tag number of the vehicle to which it is assigned.

-- Agency records indicate that 32 agencies purchased excessive amounts of gasoline from commercial sources during the last six months of 1980.

-- There is a lack of uniformity in cost accounting systems used by the various agencies.

#### Recommendations

1. Agencies should limit purchases of commercial gasoline only to those instances where it is not beneficial to purchase gasoline from state facilities.
2. Those agencies with commercial gasoline credit cards should reevaluate their program needs to insure that these cards are actually required when the universal credit cards are available.
3. Those agencies operating maintenance facilities should purchase their parts and supplies through the Department of Highways and Public Transportation.
4. Each universal state government gasoline credit card should be assigned to one vehicle. The license tag number of the vehicle should be embossed on the card.
5. The State should develop guidelines to provide for a uniform cost

*accounting system by agencies operating state-owned vehicles.*

#### Trip Logs and Exceptions Reporting

-- The implementation of trip logs as mandated by law has been successful. Exempted from maintaining trip logs are vehicles weighing in excess of 10,000 GVW and full-time law enforcement officers. Agency directors and commissioners may keep a log not as detailed known as an "exceptions report." Some agencies with additional requirements have been permitted to utilize logs of their own design provided they comply with the Motor Vehicle Management Act and the Governor's Mileage Report.

#### Acquisition, Replacement, and Composition

-- The State presently owns 16,959 vehicles with initial acquisition cost in excess of \$100 million. The composition of the automobile fleet has changed significantly over the last three years. In FY 76-77, mid-size units accounted for 47% of the automobile fleet and compact units accounted for 6%. In FY 79-80, mid-size units had been reduced to 40% of the automobile fleet and compact units increased to 27% of the automobile fleet.

-- Agencies are adhering to policy by purchasing only those vehicles on state contract and are limiting optional equipment.

#### Recommendations

1. *Criteria should be established for the size and equipment of vehicles to be purchased for agency directors and commissioners under Section 6 of the assignment criteria as developed by the SBCB.*
2. *Agency directors should continue to evaluate their travel needs to insure that large vehicles are not purchased when smaller vehicles*

would accomplish agency travel requirements.

#### Insurance and Accidents

-- All applicable agencies are now participating in the state's fleet insurance plan. However, limits of liability vary with each agency. By self-insuring for liability, the State could have saved in excess of \$241,000 in premium costs last year.

-- Collision coverage for vehicles costing initially under \$10,000 appears not to be cost-effective. Of the agencies carrying this coverage, it appears that most of the vehicles insured are sedans. This type of unnecessary coverage could cause the operators of those vehicles to be less cautious assuming that they hold no liability in the event of an accident determined to be preventable.

-- The state's motor vehicle fleet incurred 17 accidents per million miles traveled for the calendar year of 1980. This is three times the national average according to the National Safety Council.

-- Only 13 agencies operated accident review boards promoting driver training and safety.

#### Recommendations

1. The State should be self-insured for liability for its vehicles (excluding school buses).
2. The Division of General Services should recommend the level of liability and the source of funding for the self-insurance program.
3. Consideration should be given to consolidating the fund with the existing program operated by the Department of Highways and Public Transportation.



4. Vehicles with an initial acquisition cost of less than \$10,000 should not be insured for collision and comprehensive coverage.
5. The State should reserve the right to take disciplinary action or to collect damages from an employee who has caused an accident through his or her negligence.
6. In accordance with uniform guidelines, accident review boards should be established by each state agency owning or operating state-owned vehicles.

#### Commuting

-- State employees traveled approximately 50 million miles in state vehicles for FY 79-80. Approximately two million of these were for commuting purposes at an estimated cost of \$300,000.

-- Commuting in state-owned vehicles by employees without a chargeback fee results in employees having to report the value of the use of the vehicle for commuting as income.

-- Allocations of state gasoline, when imposed, should not be utilized by employees for commuting thereby limiting the amount available to employees traveling on official business.

#### Recommendations

1. A commuting fee of 12¢ per mile or not less than \$8 per pay period should be established by the State. The fee would be paid by payroll deduction from the employee to the agency in which the individual is employed. The agency would deposit monies collected into the appropriate account responsible for costs associated with the vehicles and their operation

- (e.g. travel, contractual services, motor vehicle equipment and supplies). See Table One on page 20 for payment scale.
2. The fee should be established in Paragraph 1 of Section 136 of the 1981-82 Appropriations Bill as follows:
- "...when such travel is by a state-owned automobile, the State should bear the expense of supplies and upkeep thereof but no mileage will be allowed. Provided that employees using state-owned vehicles to and from the places of official employment and home shall be required to pay at least \$8 per pay period in accordance with uniform regulations issued by the State Budget and Control Board setting forth mileage charges to all agencies; only those vehicles assigned to constitutional officials, full-time line law enforcement officers, and employees engaged in emergency fields as approved by the State Budget and Control Board will be exempt from the fee."
3. Exempt from the commuting fee would be the following:
- (a) Full-time Line Law Enforcement Officers as designated by the agency director and approved by the SBCB.
  - (b) Employees who have no regular office but work out of their homes.
  - (c) Constitutional officers who, as duly elected state officials, act as representatives of the State 24 hours per day.
  - (d) Pooled vehicles not regularly used for commuting but used for local or out-of-town trips where the employee might have to drive the vehicle home due to time constraints.
  - (e) Presidents of colleges and universities provided they occupy state-owned residences.
  - (f) The Director of the Department of Corrections and the Director of Youth Services provided they occupy state-owned residences.
  - (g) The President of the S. C. School for the Deaf, Blind and Multi-handicapped and the Superintendent of the John de la Howe School

provided they occupy state-owned residences.

- (h) The Farm Director, Farm Managers and Specialists employed at Wateree River Correctional Institution, Walden Correctional Institution, MacDougall Youth Correctional Center and Givens Youth Correctional Center provided they occupy state-owned residences.
- (i) The S. C. State Commission of Forestry fire tower operators, forestry aids, and caretaker at Central Headquarters provided they occupy state-owned residences.
- (j) The S. C. Wildlife and Marine Resources Department game management personnel, fish hatchery superintendents, and Fort Johnson superintendent provided they occupy state-owned residences.
- (k) The Department of Parks, Recreation and Tourism field personnel in the State Parks Division provided they occupy state-owned residences.
- (l) Maintenance facility personnel and Department of Highways and Public Transportation road and bridge maintenance personnel who must respond to emergencies during non-regular working hours and are on 24-hour call seven days per week.
- (m) Construction personnel as recommended by the Chief Highway Commissioner and approved by the SBCB.
- (n) Other employees having unique job responsibilities as may be approved by the SBCB.

By exempting these employees from a commuting charge, this does not automatically justify assignment or use of state-owned vehicles.



State-owned vehicles authorized for commuting are limited to travel from domicile to place of employment and miles traveled on official state business. No personal travel should be allowed.

4. When gasoline allocations are imposed, state gasoline should not be made available to employees utilizing vehicles for commuting.
5. The fee should be adjusted annually as necessary in the Appropriations Act.
6. Accidents - In the event of an accident during commuting where the employee is determined to be at fault, the state's insurance policy would protect the employee's liability to the other parties involved. However, the state employee would be held personally liable for all damages to the state vehicles.

## Chapter One

### ASSIGNMENT AND USE OF STATE MOTOR VEHICLES

#### Background

In the report on management and use of state-owned motor vehicles issued by the Legislative Audit Council (LAC) in 1978, the auditors reported there were excessive and unjustified assignments of state-owned motor vehicles. These assignments resulted in abuse and misuse of state-owned motor vehicles, under-utilization of the General Services Motor Pool, and excessive reimbursements to state employees for traveling on official business in privately-owned vehicles (P.O.V.'s).

During the 1980 Management Review, the Division of Motor Vehicle Management (DMVM) found that while some of the problem areas noted by the LAC still exist, the comprehensive fleet management program, through cooperation by agency directors, has corrected a number of the discrepancies previously reported. In analyzing the problems noted by the LAC, the DMVM identified the following:

1. State-owned vehicles are still assigned to some employees based on position and prestige, but not to the extent they were in FY 76-77.
2. Misuses and abuses of state-owned vehicles have been significantly reduced.
3. The transfer of the interagency Motor Pool from the Division of General Services to the Division of Motor Vehicle Management has been completed. The DMVM has analyzed the travel needs of the user agencies and doubled the total number of vehicles in the pool and increased by five times the number of vehicles available for daily dispatch.

4. Reimbursements for travel in P.O.V.'s have leveled off since FY 76-77 but 50% of the total miles traveled on state business in FY 79-80 were in P.O.V.'s.

#### Assignment of State-Owned Vehicles

The Motor Vehicle Management Act directed the State Budget and Control Board (SBCB) to develop criteria for assignment of motor vehicles based solely on the functional requirements of the job reducing assignments to such situations clearly cost beneficial to the State. In recommending criteria for permanent assignment of state-owned vehicles, the Motor Vehicle Management Council utilized the formula contained in the LAC report that an employee must drive 14,000 official annual miles before it would be cost beneficial to permanently assign him a vehicle. The Council's recommendations adopted by the SBCB are as follows:

1. To justify a permanent assignment to an individual, a state vehicle must be driven 14,000 official miles per year.
2. For eligible employees who drive over 2,000 official miles per month, a Class III vehicle will be made available.
3. For eligible employees who drive over 1,600 official miles per month, a Class IV vehicle will be made available.
4. For eligible employees who drive less than 1,600 miles per month and for the general motor pool, Class V vehicles will be made available.
5. Agencies authorized to operate pools can buy up to 10% Class IV vehicles for longer trips.
6. The DMVM, upon approval by the SBCB, may fill agency requests from the approved listing for vehicles required for the proper administrative



# EXHIBIT

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## STATE BUDGET & CONTROL BOARD

functioning of a certain agency; these vehicles may not meet the mileage criteria, but will be subject to all other criteria.

7. All employees using state cars will maintain a log to be sent to DMVM.
8. Persons assigned cars shall pay a commuting charge. (Postponed - see Chapter 3)

The above recommendations do not pertain to full-time law enforcement officers whose sole task is the protection of life and property.

In assigning vehicles to employees, the DMVM has asked each agency director to certify the need for permanent assignment through a written justification. Prior to passage of the Vehicle Management Act, the fact that an employee was "on call" was satisfactory justification. However, the DMVM now monitors each assignment to determine why the employee is "on call", and the number of call back trips that are made in the vehicle. Additionally, agency directors, with a few exceptions, appear to be more stringent when considering requests for permanent assignments.

The DMVM also found that permanent assignments should not be restricted just to cost beneficial situations. Assignments to employees who are required to be available during non-regular working hours with special equipment, tools, radios, and other items might not be cost beneficial, but the fact that those employees can more readily respond to life and death emergencies or situations where state-owned property is in danger clearly benefits the State.

As of December 31, 1980, there were approximately 1,723 state-owned vehicles permanently assigned to individuals for exclusive use. It appeared to the DMVM that most of the assignments were justified through

agency director certification. However, there still appeared to be some agencies with permanent assignments based on prestige or position.

One of the concerns noted in FY 76-77 by the LAC was that many permanently assigned vehicles were subject to misuse and abuse including commuting, lunch trips, and other personal tasks.

In regards to using 14,000 annual official miles as the criteria for permanent assignment, the DMVM has determined that this figure should be decreased to 11,000 annual official miles. In doing so, the DMVM used the same formula that was used by the LAC, but adjusted the data to reflect current costs and the anticipated reimbursement rate for FY 81-82. This information is available as Appendix VIII.

#### Use of State-Owned Vehicles

In FY 76-77, the LAC reported that 858 state employees (excluding law enforcement officers) commuted in state-owned vehicles. In January of 1981, this number had been reduced to approximately 393 state employees. Additionally, complaints received by the DMVM alleging misuse or abuse of state vehicles have decreased. In FY 76-77, the DMVM processed 130 citizens' complaints. In FY 79-80, this number dropped to 107. Through January of 1981 for FY 80-81, the DMVM had received only 58 complaints. Of those 58, 35 were for speeding, 19 were for personal use and 4 alleged reckless driving. It should be noted that some of the complaints received alleging that a vehicle was utilized for personal business were not valid. While the appearance might have been questionable, some of the vehicles were in fact utilized in performance of official duties such as transporting human service clients, and routine inspectors.

While personal use and abuse of state-owned vehicles appears to be limited to a few cases, reports of traveling in excess of the posted speed limit are occurring much too often in state vehicles. Information furnished to the DMVM by the Department of Highways and Public Transportation (DHPT) indicate that 53 citations for speeding were issued to state employees operating state-owned vehicles displaying permanent "SG" tags involved in accidents during the calendar year of 1980. These figures include 48 citations for speeding under 10 m.p.h. over the posted speed limits and 5 citations for speeding in excess of 10 m.p.h. over the speed limit. Included only are citations written when the vehicle was involved in an accident. Excluded are law enforcement vehicles with undercover tags.

Efforts to curtail speeding in state-owned vehicles by state employees have thus far produced limited success. Two programs have been established to slow employees down, but according to the available statistics, some employees continue to disregard posted speed limits.

One program designed by the Governor's Office of placing bumper stickers on all vehicles stating "I don't drive over 55" has made the vehicles more noticeable in the public's eye. Additionally, the action implemented by the Commander of the State Highway Patrol of sending copies of citations issued to employees in state-owned vehicles to the director of the agency owning the vehicle has had a positive impact.

The allegation of speeding is one that is hard to prove unless the observer is a trained law enforcement officer. Allegations processed by the DMVM have caused agency directors to caution their employees to obey speed limits thus publicizing this program.

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#### Reimbursements for Privately Owned Vehicles

In the report issued by the LAC, reimbursement for travel on official business in privately-owned vehicles (P.O.V.'s) was cited as excessive. According to the LAC estimates, as much as \$6.7 million was paid to state employees for mileage reimbursement in FY 76-77. This amounted to more than 47 million miles of travel. If the state, through more stringent controls, could reduce this POV travel by 25%, an annual savings in excess of \$250,000 could be realized.

The DMVM used the LAC format and determined that in FY 79-80, over 47 million miles were traveled in P.O.V.'s at a mileage reimbursement cost in excess of \$8.5 million. For the same period, travel in state-owned vehicles was estimated in excess of 48 million miles. While it appears that the number of miles traveled in P.O.V.'s has leveled off, the fact remains that 50% of the total miles traveled on official state business was in non state-owned vehicles. Section 171 of the FY 80-81 Appropriations Act requires employees to travel in the most economic mode possible. It appears that not all of the travel in P.O.V.'s is justified under this section. (See Table One in Appendix IV)

As was discussed earlier, exclusive permanent assignments of vehicles appear to be limited to functional needs with a few exceptions for prestige. The fact, however, that there are still too many official miles traveled in P.O.V.'s is due in part to the limited number of available state vehicles. Those agencies not leasing their fleet from DMVM have limited funds available for replacement of vehicles due to budget tightening. A large agency, for example, has less than \$6,000 budgeted for new vehicles for FY 81-82 but is

presently operating vehicles that have logged over 200,000 miles per vehicle.

The DMVM monitors reimbursements on a monthly basis and makes periodic recommendations concerning travel in state-owned vehicles in lieu of privately-owned vehicles. During 1980, the DMVM recommended that ten agencies utilize state-owned vehicles for employees traveling in excess of 1,200 miles per month. (The LAC determined that it was more cost efficient for official travel to be accomplished in state-owned vehicles when the travel amounted to 1,200 miles or more per month or 14,000 or more miles annually. (See also Appendix VIII).

Those ten agencies could realize an estimated annual savings of \$32,000 by placing employees in state-owned vehicles in lieu of reimbursement. (Note: Considered in the recommendation are the initial costs of the vehicle to be purchased.) Most of those agencies have been receptive to utilizing state-owned vehicles, but the funds have not been available to purchase additional units for the state's fleet.

#### DMVM Motor Pool

When the Division of General Services transferred the interagency motor pool to the Division of Motor Vehicle Management, only five vehicles were available for daily dispatch out of 275 in the pool. Since that time, the pool has grown to over 600 total units with 35 vehicles available on a daily lease basis. The fleet total includes 17 units transferred to the DMVM from other agencies.

The LAC noted that in FY 76-77, most of the pooled vehicles were permanently assigned to individuals driving less than 1,500 official miles per month. This accounted for a portion of employees reimbursed

mileage for travel in P.O.V.'s. Table One summarizes the usage of motor pool vehicles operated for less than 1,500 miles per month in FY 76-77 and FY 79-80.

TABLE ONE

Usage of DMVM Motor Pool Vehicles  
Driven Less than 1,500 Miles Per Month

<u>FY 76-77</u>	<u>Avg. Monthly Mileage</u>	<u>FY 79-80</u>
26%	less than 800	9%
15%	800-1,000	7%
22%	1,000-1,200	24%
37%	1,200-1,500	60%

Upon transfer of the motor pool to DMVM, a professional vehicle manager was assigned the task of insuring that the vehicles were properly assigned and operated in the most cost efficient manner possible. In addition to reassigning vehicles as noted above so that assignments of vehicles driven less than 1,200 miles per month were extremely limited, 41% of the motor pool fleet is now operated in excess of 1,500 miles monthly. Sound management practices have not only reduced unjustified and costly permanent assignments, but also the potential for personal use of state-owned vehicles.

Studies have also been conducted by the DMVM to determine the number of vehicles that should be in the daily dispatch pool to meet the travel requirements of the user agencies. With approximately 46 agencies utilizing pooled vehicles during the first six months in FY 80-81, the number of available vehicles has fluctuated from 30-36 with an average utilization rate of 75%. Some of the agencies utilizing the pool for limited travel are the largest reimbursers for travel in P.O.V.'s. Six of these agencies paid mileage reimbursements for P.O.V.'s in FY 79-80 for more than 28 million miles and



traveled less than 183,000 miles in DMVM pooled vehicles during the first six months of FY 80-81. Table Two in Appendix IV lists those agencies utilizing DMVM daily dispatch pooled vehicles for July 1-December 31, 1980.

#### Conclusion

Through cooperation and sound management by most state agencies, a large portion of permanent assignments of state-owned vehicles has been limited to situations clearly beneficial to the State. However, some assignments based on prestige are still present. There are still many agencies reimbursing employees for travel in P.O.V.'s. If 25% of the travel in P.O.V.'s for FY 79-80 had been in state-owned vehicles, the State could have saved over a quarter of a million dollars. This 25% reduction could have been accomplished by agencies making better utilization of the DMVM Motor Pool and agency motor pools, and requiring employees to complete a certificate of non-availability of state vehicles before receiving reimbursement for official travel in P.O.V.'s.

Estimated figures indicated that less than \$9 million is available in the FY 81-82 budget for purchase of new vehicles. Most of this is for special task-related equipment and trucks. Consequently, there are vehicles remaining in the fleet with high mileage that are costly to operate.

In reference to abuses and misuses of state-owned vehicles, speeding appears to be the most common problem.

## Chapter Two

### IDENTIFICATION

#### Background

The Division of Motor Vehicle Management (DMVM) found that most state agencies are in compliance with the requirement to have all state-owned vehicles identified with permanent state government license tags and either a state or agency seal decal.

Prior to the establishment of the Legislative Study Committee, the Motor Vehicle Management Council had difficulty in considering requests by agencies for exemption from the identification requirement. This difficulty was due to the diversity of agency requirements and in some cases, a lack of information necessary to justify the request. Consequently, some of the requests that were denied might have been valid, but the lack of information provided by the agencies and standardized terms of "line law enforcement officer" and "human service agency" left the Council with no alternative.

#### Present Procedure

As was recommended by the Legislative Study Committee, agencies requesting exemption from the identification requirement are now following the appeals procedure established by the State Budget and Control Board. The three levels of the appeals procedure are:

Level One: The head of the agency involved should submit a brief but concise letter to the Fleet Manager stating the particular difficulty or objection with complying to a specific regulation

mandated by the MOTOR VEHICLE MANAGEMENT ACT. The Fleet Manager will notify the agency head within ten days of receiving the initial request of his decision.

Level Two: If the affected parties do not receive satisfaction from the Fleet Manager, they may resubmit their original request to the Motor Vehicle Management Council. This must be accomplished within ten days after receipt of the Fleet Manager's decision. The Council will use their discretion as to whether a hearing would be beneficial to the situation. All grievances submitted to the Council will be acted upon within forty-five days, and all decisions and findings will be reported to the affected parties within twenty days of the date complaints are considered by the Council.

Level Three: If the affected parties still do not receive satisfaction from the Council, they may appeal to the Board. This appeal must be submitted within ten days of notification of a final decision or finding of the Council. 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 extraordinary 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.

However, the DMVM has informed each agency director that it will work to solve each request at level one between the Fleet Manager and the agency director as the recommendation by the agency director will weigh heavily



on consideration given each request.

#### Exemptions

As mandated by the Motor Vehicle Management Act (the Act), only those vehicles assigned to full-time law enforcement officers and human service agency vehicles used to transport clients shall be exempt from the identification requirement. Additionally, requests for non "SG" license tags must be evaluated by the Chief of the State Law Enforcement Division (SLED) and approved by the SBCB.

In considering requests for exemption from identification, the Fleet Manager and the Council had difficulty in applying a uniform definition of full-time law enforcement officers due to the diversity of agencies' law enforcement functions. Therefore, as was recommended by the Legislative Study Committee, each agency with law enforcement functions was directed to develop its own definition in accordance with 23 guidelines recommended by DMVM. A listing of these guidelines is available as Appendix III.

During the Management Review with each agency, the DMVM discussed the definitions with each agency in order to provide some uniformity and as much specificity as possible. The DMVM encouraged the agencies to allow the definitions to be broad enough to encompass all law enforcement functions of the agency, but specific enough to exclude those individuals who are not full time line law enforcement officers. The basic premise that each agency was asked to use was that everyone who is responsible for enforcing the law is not necessarily a full time line law enforcement officer. The DMVM found that a number of employees who are primarily classified as administrative personnel, possessed State Constable's

Commissions and that many of these personnel felt that this should classify them as full time line law enforcement officers.

A listing of definitions supplied by each agency is included as Appendix VII.

#### Agency Reviews

The DMVM found that there is little misuse of the requirement to display "SG" tags. This is due to the State Fleet Manager who carefully screens each request and the Chief of SLED who investigates the necessity and legitimacy of each request to be exempt from displaying "SG" tags.

However, the DMVM discovered that there are still a large number of agency vehicles not displaying the state or agency seal decals. Most of these vehicles appeared to be driven by senior agency personnel. The justification provided in most instances was that these vehicles should not necessarily be required to display the state seals due to the position of the assigned operator. The DMVM found that there are no set standards in defining which senior officials' vehicles should be exempt from the identification requirement thereby resulting in a non-uniform identification plan.

One agency that appeared not to be in compliance with the identification section of the Act previously submitted a request for exemption and then disregarded the directive to place the state seal decal on the vehicle in question. A prior request by a senior agency employee to be exempt from displaying the state seal on the sedan assigned to him was disapproved by both the State Fleet Manager and the Motor Vehicle Management Council. In making the initial request (which was not certified by the agency director),

the agency stated that the vehicle was used by the senior employee and his staff for various administrative duties. The agency further stated that the employee is a commissioned SLED officer and the vehicle assists in undercover work of that agency.

The request by the agency was disapproved in June of 1979. However, the state seal was not placed on the vehicle. In March of 1981, as a result of the Management Review, the agency elected to formally request through SLED and the State Fleet Manager that their initial request be reconsidered. As of the writing of this report, no decision had been reached and the vehicle was still not displaying the state seal decal.

#### Conclusion

The identification requirement making vehicles more noticeable in the public eye has served as a deterrent to misuse and abuse of state-owned vehicles. Most agencies have complied with the requirements except for some senior agency officials and a few employees who feel that they are law enforcement officers. During fiscal year 1978-79, the DMVM received 83 complaints from citizens who allegedly observed state vehicles being used for personal business. In 1979-80, the number of complaints received for alleged utilization of vehicles for personal use had decreased to 66. During the first three quarters of fiscal year 1980-81, the DMVM had received only 19 complaints from citizens alleging personal use of state vehicles. It appears that possible misuses of state vehicles have been limited because of the identification requirement. The requirement that each state vehicle is to maintain a log containing mileage, destination, and job function performed may also have served as a deterrent to personal use of vehicles.



## Chapter Three

### COMMUTING

#### Background

During the fiscal year 1979-80, state employees traveled 48,236,352 miles in state government vehicles at an approximate cost of \$8,200,180. Of the total miles traveled, approximately 1,792,920 miles were traveled by state employees in commuting from their homes to their official places of business. This personal travel cost the State in excess of \$304,796.

In 1979, the Division of Motor Vehicle Management (DMVM) recommended to the State Budget and Control Board (SBCB) a personal use chargeback fee be implemented for employees who use state vehicles for personal use. The chargeback, referred to as a commuting fee, was delayed by the SBCB as a result of the concurrent resolution enacted by the General Assembly. Since that time, the DMVM has conducted interviews with each state agency regarding the fee and has researched the issue with State and Federal authorities.

#### Federal Requirements

In 1977, the Internal Revenue Service (IRS) issued the "Keeter Decision." In this decision the IRS held that free use of employers' vehicles by employees for personal transportation gives rise to taxable income. If the vehicle is used for both business and personal use, only the value of that portion of time the vehicle is used for personal use is taxable. Commuting time is considered a personal expense. Further, the measure of taxable income is the fair rental value of the vehicle.

The IRS also indicated that in determining the rental value of the vehicle for the purpose of implementing a commuting charge, only direct

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costs associated with the actual operation during personal use should be considered. These would include, but not be limited to, gasoline, oil, maintenance, tires, and overhead. Indirect costs, such as depreciation, insurance and licensing would not be included as these would be charged during the course of official travel and would not be incidental to personal travel.

The IRS further recommended that a flat monthly rate be used in lieu of an actual cost per mile charge.

#### State Requirements

Section 168 of the 1980-81 Appropriations Act prohibits perquisites of office with limited exemptions. When these perquisites exist, however, they are to be charged for at the local prevailing rate. The Attorney General's opinion issued in response to a request from the Senate Research staff concluded that personal use of state vehicles is to be charged under the provision of the perquisites section of the Appropriations Act at the prevailing local value and that the value of personal use of a state-owned vehicle constitutes taxable income to the employee; however, if paid for, the amount paid is deductible.

The State Tax Commission has stated that free use by an employee of an employer's vehicle gives rise to taxable income only when such personal use is for the benefit of the employee and not the State. The determination would need to be made as to whether the personal use is incidental to the public or state use. In quoting Section 3202 of 33 Am. Jur. 2d, Federal Taxation, the Commission supported its position.

"In some cases, it may be necessary to determine whether a payment was made for the employer's or the employee's benefit. If made primarily for the employer's benefit, to serve a legitimate purpose of the employer, it is generally not taxable to the employee even though he derives some benefit from it, such as his enjoyment of business travel. Where made primarily for the employee's benefit, it is taxable to him."

Further, it should be noted that the Legislature, through the 1980-81 Appropriations Act, established the Joint Legislative Committee on Personal Service, Financing, and Budgeting and directed that it have the responsibility of reviewing, analyzing and reporting on certain perquisites furnished to state employees including automobiles.

#### Other Studies

The DMVM found it a common practice among other states and private industry to charge employees for personal use of the employer's vehicle. In many cases, employees were also limited as to the types of personal miles that would be allowed.

A survey conducted by the National Association of Fleet Administrators (NAFA) of 35 manufacturer and consumer groups operating 29,470 vehicles indicated that only three groups did not charge for personal use. Of those that did charge for personal use, 10 had a flat mileage charge, 15 set flat weekly or monthly charges, six had a combination charge, and one charged a rental fee plus a percentage of maintenance and insurance costs. The charges ranged from:

8¢ - 15¢ per mile  
\$30 - \$55 per month  
\$7.50 per week + 9¢ per mile  
\$20 per month + 8¢ per mile

In the same NAFA survey of government fleets, 90% of the fleets



reporting did charge for personal use of employers' vehicles. Many of the government respondees restricted personal use to commuting.

One of the governments utilizing a commuting fee is the State of Virginia. The fee, implemented as a result of a report issued by the Joint Legislative Audit and Review Commission, was designed to reduce the cost to the State for personal use which had escalated in excess of \$300,000 representing personal use of 33% of the state's fleet of vehicles. Since the fee began, over 200 vehicles previously assigned to employees for exclusive use, including commuting, have been turned in. The object of the fee for Virginia was twofold. First, it emphasized that state-owned vehicles are to be used only for official business. Second, the charge eliminated the need to report the value of commuting as income for Federal and State tax purposes and brought the state practice into compliance with existing tax laws. Authorization to commute in state vehicles must be recertified annually with copies of authorization letters submitted to the State Fleet Manager.

Payment of the fee by Virginia employees is by payroll deduction. The fee is authorized in the biennial appropriations bill and requires that employees pay a minimum of \$40 per month for commuting for a minimum number of miles. The scale then graduates at approximate intervals of an additional three dollars per month for each round trip daily mile traveled.

A survey conducted by the Legislative Audit Council in 1978 of 31 states indicated that 12 states prohibit individuals from commuting in state vehicles except in special cases. Ten states allowed commuting only with special permission while three states allowed commuting in a state

vehicle but charged the driver for commuting mileage. All 31 states surveyed prohibited personal use of state-owned vehicles.

#### Conclusion

With employees utilizing state-owned vehicles for approximately 1,792,960 commuting miles at a cost in excess of \$304,796, the State should implement a commuting fee. This fee could also protect the employee in the event of an IRS audit. The fee would also emphasize that government vehicles are for official use only. In determining an appropriate fee, the following factors were included:

1. Experts predict that commercial gasoline will cost \$1.60 per gallon in December, 1981.
2. State gasoline, normally 15¢ per gallon cheaper, should cost \$1.45 per gallon in December, 1981.
3. The average miles per gallon for the fleet is approximated at 18.
4. Maintenance and tires are figured at 2¢ per mile.
5. There are 240 working days per year.

#### Formula (Operating Costs)

<u>Item</u>	<u>Per Mile Cost</u>
Gasoline and Oil	.09
Maintenance and Tires	.02
Overhead	<u>.01</u>
Total Operating Cost Per Mile	.12

Table One

Schedule for Payroll Deductions  
for Determining State Vehicle Commuting Charges  
Using 12¢ Per Mile  
(26 Payroll Deductions)

<u>Round Trip Mileage Per Day</u>	<u>Payroll Deduction</u>	<u>Round Trip Mileage Per Day</u>	<u>Payroll Deduction</u>
1-7	\$ 8.00	29	\$ 32.10
8	8.90	30	33.20
9	10.00	31	34.30
10	11.10	32	35.40
11	12.20	33	36.60
12	13.30	34	37.70
13	14.40	35	38.80
14	15.50	36	39.90
15	16.60	37	41.00
16	17.70	38	42.10
17	18.80	39	43.20
18	19.20	40	44.30
19	21.05	41	45.40
20	22.15	42	46.50
21	23.25	43	47.60
22	24.35	44	48.70
23	25.50	45	49.80
24	26.60	46	51.00
25	27.70	47	52.10
26	28.80	48	53.20
27	29.90	49	54.30
28	31.00	50	55.40

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## Chapter Four

### MAINTENANCE AND GASOLINE PURCHASES

#### Background

The Legislative Audit Council (LAC) found significant problems with the maintenance system utilized by the State's motor vehicle fleet. The 1978 report cited variances in the quality and type of maintenance performed, lack of central purchasing and inventory of parts, and duplication of services by agencies within reasonable distances of each other.

The Legislative Audit Council also reported that purchases of state gasoline were limited and that implementation of the universal state credit card had not been successful.

During the 1980 Management Review, the DMVM found that the conditions cited in the 1978 LAC report regarding the maintenance system still substantially exist. However, implementation of the recommendations regarding the universal credit card and gasoline purchases appears to be progressing successfully.

#### Maintenance

The DMVM found that vehicle maintenance facilities operated by state agencies still vary widely in the quality and types of work performed. Duplication of services within reasonable distances is still present. The four agencies noted by the LAC within a two-mile area of Broad River Road are still operating separate maintenance facilities. Additionally, three agencies in the Charleston area and three in the State Park area are operating separate maintenance facilities. Duplication of maintenance shops is an unproductive use of funds, manpower, equipment and space. By combining the above ten maintenance facilities in each area into three

shops, the State could realize a substantial savings.

There is still no central purchasing system for parts. Even though agencies are working with Central State Purchasing, individual requests for smaller orders from vendors are costing the State needlessly. Very few agencies are utilizing the Department of Highways and Public Transportation's parts outlet which could result in a savings of as much as 50% of what is now being paid to commercial vendors.

The various maintenance shops operated by the different agencies lack a uniform inventory and control system. While most agencies are strict in their inventory controls, some lack the necessary personnel to insure proper record keeping. The state's shops vary from large, clean, well-managed and equipped facilities to small, dirty and poorly-managed ones.

The DMVM found approximately 25 agencies<sup>1</sup> operating maintenance shops available to an estimated 4,381 vehicles. This means that each shop is servicing an average of 175 vehicles as compared to the DMVM maintenance shop which services in excess of 500 vehicles. Approximately 13 of these shops are in the Columbia area. The remaining 67 agencies use commercial shops to perform their maintenance.

The maintenance facility operated by the DMVM in the Columbia area appears to be the only shop that is available for multiple agency use. The DMVM shop is available to perform routine maintenance for agencies operating most passenger-carrying type vehicles. The DMVM estimates that the shop is saving the State approximately \$5,000 per month for the vehicles it maintains. This is accomplished by a savings in excess of \$8.50 per hour for labor and savings on parts from 25-190 per cent by utilizing state

<sup>1</sup> Excluding DHPT

in lieu of commercial sources.

#### Gasoline Purchases

The DMVM surveyed each agency to determine the percentage of commercial and state gasoline that was being purchased for use by its vehicles. In developing criteria for gasoline purchases, the DMVM notified each agency that commercial gasoline purchases in excess of 20% of the total gallons purchased was excessive. However, it was impossible for some agencies to utilize state facilities due to travel routes and gasoline allocations. The DMVM found 19 agencies purchasing less than 80% of their total gallons from state facilities. Of these, 7 purchased less than 60% from the State and 12 purchased less than 50%. Commercial gasoline in 1980 averaged 20 cents per gallon higher than gasoline available from state facilities. A listing of the agencies and the percentage of gallons purchased from state and commercial facilities is available in Appendix V.

During the 1979 Management Review, the DMVM recommended that agencies utilizing commercial credit cards should convert to the Universal State Government Credit Card. Most agencies, except those with extensive out-of-town travel, appear to have followed this recommendation. The DMVM found 95 agencies utilizing 3,534 state government credit cards (not including privilege cards utilized by the Department of Highways and Public Transportation) and 629 commercial credit cards. Those agencies advised to reevaluate their needs in terms of the number of commercial credit cards are denoted in Appendix II.

#### Conclusion

The State Vehicle Maintenance Program mandated by the Motor Vehicle



Management Act (S.C. Code 1-11-290) has not been implemented. Excessive duplication of maintenance services still exist. The quality and type of maintenance performed varies by agency. There appears to be a lack of sound management by some of the agencies in operating their maintenance facilities. Accountability and lack of the use of a standard work order seem to be the major shortcomings. The universal credit card system has been implemented with few exceptions. However, the DMVM is the only agency that has the tag number of the vehicle embossed on the card. All other agencies operating vehicles allow various cards to be used by each vehicle. Most agencies appear to be requiring the majority of gasoline purchases be made from state facilities. There has been little statewide progress made in centralizing motor pools and reevaluating cost-accounting.

Chapter Five  
ACQUISITION, REPLACEMENT AND COMPOSITION  
OF THE STATE'S MOTOR VEHICLE FLEET

Background

The Legislative Audit Council (LAC) in their 1978 report noted the following problems for fiscal year 1976-77:

1. Many costly exceptions were made to SBCB vehicle acquisition criteria.
2. The state automobile fleet (excluding law enforcement vehicles) consists of many vehicles that are larger, more expensive and less energy-efficient than necessary.
3. Eighteen vehicles were purchased after fiscal year 1976-77 contracts had expired.
4. State vehicles are not being replaced in the most economical manner.

The DMVM found during the 1980 Management Review that most of the problem areas noted above, with a few exceptions, had been corrected. The results are as follows.

Vehicle Acquisition

As available funds for agencies become limited, new vehicle purchases appear to have taken low priority. Requests for fleet additions have been closely monitored by the DMVM to maintain the state's motor vehicle fleet at or near the same number while placing emphasis on vehicles meeting disposal criteria. The DMVM also assisted agencies in transferring surplus vehicles to other agencies that might need replacement units.

Agency directors appear to be submitting requests for new vehicles during the bid cycle and are limiting optional equipment. During fiscal

year 1979-80, no new vehicles on state contract were purchased after contracts had expired.

Included in the assignment criteria promulgated by the SBCB is a provision to permanently assign vehicles required for the proper administrative functioning of an agency. (See number 6 on page 2) These vehicles, according to the regulation, do not have to meet the mileage requirements but are subject to all other criteria. This section permits agency directors and commissioners to be permanently assigned a vehicle even though their travel requirements might not exceed 14,000 miles per year. However, there appears to be a need for definitive guidelines when purchasing vehicles to be assigned to these individuals as is the case in other sections of the assignment criteria.

#### Vehicle Replacement

The DMVM has revised its disposal criteria requiring sedans to travel a minimum of 60,000 miles or be at least 4 years of age. This policy has enabled a number of agencies to continue using vehicles in safe mechanical condition for a longer period of time. The DMVM continues to monitor requests for disposal of all vehicles to insure that the best interests of the State would be served by disposal, replacement, retention or transfer to another agency.

A study is presently underway by the DMVM to determine the cost-savings and feasibility of operating vehicles for 100,000 miles for longer life periods. This recommendation, made by the Motor Vehicle Management Council, could reduce the cost per mile as the vehicles would continue to be depreciated over a longer period of time. Additionally, the DMVM is now able to

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insure better mechanical condition of its vehicles due to servicing by the Division's new maintenance facility. In reviewing purchasing criteria, the DMVM noted that life cycle costing is not in effect. Efforts made to require this information in the bid award have been unsuccessful mainly due to lack of objective cost data.

#### Composition of the Motor Vehicle Fleet

At the end of February 1981, the State of South Carolina owned and operated 16,959 vehicles at an acquisition cost of \$105,317,545.87.

The Legislative Audit Council reported in 1978 that the automobile fleet was composed primarily of larger, more expensive vehicles that were less energy efficient than necessary to satisfy travel requirements. Table One lists the percentage of the automobile fleet for fiscal year 1976-77 and fiscal year 1979-80 by size (excluding law enforcement vehicles).

Table One

#### State Automobile Fleet

<u>FY 1976-77</u>		<u>FY 1979-80</u>
5%	Full-size	1%
41%	Standard-size	27%
47%	Mid-size	40%
6%	Compact	27%
1%	Sub-compact	5%

It appears that the State is now operating more fuel-efficient vehicles.

Two agencies that have recently reevaluated their travel requirements are the Department of Social Services and the Department of Health and Environmental Control. Both agencies have programs requiring extensive travel by specialists in different counties. In lieu of placing these

employees in larger, more expensive vehicles, the directors of both have purchased or leased sub-compact units. Comments received from employees operating these vehicles are favorable.

Table Two  
For DMVM Fleet

MILES PER GALLON COMPARISON  
1975 - 1980

<u>Year</u>	<u>Vehicle</u>	<u>Cost</u>	<u>MPG</u>	<u>% Inc. Per Yr.</u>	<u>% Inc. To 1975</u>
1975	Ford Torino	\$ 3,996	12		
1976	AMC Matador	3,962	14	17%	17%
1977	Pontiac Lemans	4,747	18	29%	50%
1978	Plymouth Volare	4,505	22	22%	83%
1979	AMC Concord	4,580	23	5%	91%
1980	Dodge Aspen	5,038	*22	-4%	83%
1980	Ford Fairmont	5,487	*27	17%	125%
1980	Chevrolet Chevette	4,580	*30	30%	233%

\*Compared to previous year, 1979

Table Two reflects the increase in miles per gallon of DMVM vehicles over the last five years. As shown in the table, the "standard" sedan purchased in 1975 was a 6-passenger Ford Torino at a cost of \$3,996 with a rating of 12 miles per gallon. The "standard" sedan for 1980 is a 6-passenger Dodge Aspen at a cost of \$5,038 with a rating of 22 miles per gallon. The 1980 Dodge Aspen gets 83% better mileage than the Torino with only a 26% increase in price. Allowing for inflationary dollars, the comparative cost of each car is approximately equal.

For the last five years, there has been a 14% average yearly increase

in miles per gallon attained by state vehicles. Some of this increase can be attributed to the automotive industry producing more fuel-efficient vehicles. However, most of the increase is due to more careful attention being given to the proper selection of an appropriate vehicle for a particular use. It would not be appropriate for state-owned sedans to be either Ford LTDs or Chevrolet Chevettes as neither vehicle meets all requirements for every application. The standard vehicle comes closest to meeting all requirements with larger and smaller cars being available to meet specific requirements.

#### Conclusion

The state's motor vehicle fleet is now comprised of more fuel-efficient vehicles due in part to evaluation by agency directors and the State Vehicle Specifications Committee established by DMVM for the purpose of writing vehicle specification. Agencies are not purchasing vehicles after contracts expire and are limiting optional equipment. Vehicles appear to be replaced in an economical manner. A bid adjustment technique is being used in that the EPA mileage estimate is applied in a manner that will penalize the less energy efficient vehicle.

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Chapter Six  
INSURANCE AND ACCIDENTS

Background

In 1978, the Legislative Audit Council (LAC) reported that not all state agencies were participating in the state's fleet insurance program, and that many agencies were carrying more coverage than was necessary under the South Carolina Governmental Motor Vehicle Tort Claims Act (S. C. Code 15-77-210). The Legislative Audit Council also concluded that purchasing liability insurance for state employees was neither economical nor necessary and recommended that a self-insurance fund be established that could save the State as much as \$614,219 annually.

During the 1979 Management Review, the DMVM coordinated efforts between the agencies not covered under the fleet insurance program and the Division of General Services to eliminate unauthorized purchases of liability insurance not on the fleet policy. The 1980 Management Review revealed that all applicable agencies are now on that policy.

Liability Coverage

The agencies reviewed by the Division of Motor Vehicle Management that owned vehicles in 1980 were found to have variable limits of liability coverage. Most of the agencies felt that the more expensive plan would better serve their needs in the event of a loss that would exceed the provisions under the more inexpensive plans.

The following table lists the three plans available, the number of agencies participating in each plan, and the estimated cost.

Table One

Insurance Coverage  
(Liability Only)

	<u>Plan*</u>	<u>No. Agencies</u>	<u>Total No. Vehicles</u>	<u>Total Estimated Cost</u>
1.	15-30-5	11	386	\$ 23,040
2.	50-100-25	4	381	4,275
3.	100-300-50	33	4,290	454,750

\*Limits of liability in thousands of dollars

Agencies leasing vehicles from the DMVM were included in the coverage carried by the Division. The Department of Highways and Public Transportation operates 4,755 vehicles which are self-insured for the basic limits and are not included in Table One.

Collision Coverage

The DMVM found 13 agencies insuring part of their vehicle fleet for collision and comprehensive coverage. Until recently the SBCB prohibited agencies from carrying this type of coverage. The DMVM found that some of the agencies were insuring vehicles for collision as a convenience more for the employee than the agency. Those agencies not carrying collision coverage are considered self-insured. In the event of an accident that is determined to be preventable, these agencies will absorb all or part of the cost of repairing the vehicle or may assess the employee.

In many cases collision coverage cannot be justified as it would be cheaper to pay for damages to the vehicle rather than insurance premiums. Collision coverage also could cause the operator of the vehicle to be less cautious assuming that he holds no liability in an accident determined to be preventable or chargeable.

In regards to chargeability, the Division of General Services, in conjunction with the state's reinsurance company, has recommended that each agency establish an accident review board. Presently, only thirteen agencies utilize such a board. Accident review boards established by each agency could also be charged with recommending administrative penalties, disciplinary action and/or remedial driver training in accordance with guidelines furnished by the SBCB.

#### Accidents

During the period January 1-December 31, 1980, state-owned vehicles were involved in a total of 855 reported accidents. To determine the accident frequency for this period for the State of South Carolina, the following formula suggested by the National Association of Fleet Administrators is used:

$$\frac{\text{No. of accidents} \times 1,000,000}{\text{Total Fleet Mileage}}$$

With the state's fleet traveling 50,402,231 miles during this period and incurring 855 accidents, the accident frequency would be 17 accidents per million miles traveled. The national average is 5 accidents per million miles traveled for passenger fleets according to the National Safety Council.

Figures furnished to the DMVM by the Department of Highways and Public Transportation indicate that speeding, failure to yield right-of-way, and improper backing were the more recurring citations issued to operators of the state-owned vehicles involved in accidents.

#### Conclusion

Insurance coverages for liability vary among the different agencies. Most agencies prefer to insure their vehicles for the maximum coverage of



100-300-50. The State could have saved in excess of \$241,000 by being self-insured for liability in 1980. Agencies with collision coverage are not necessarily insuring vehicles in the best interests of the State as self-insurance for collision appears to be less expensive. Agencies should limit purchases of collision coverage to vehicles with initial acquisitions of \$10,000 and above as it would be more cost-beneficial to self-insure vehicles costing below \$10,000.

The accident rate of the State for the calendar year of 1980 was 17 accidents per million miles traveled, which appears to be high. Only 13 agencies operated accident review boards.

**22573**

## Chapter Seven

### TRIP LOGS AND EXCEPTIONS REPORTING

#### Background

One of the recommendations made by the Legislative Audit Council in 1978 was that trip logs be maintained on all state-owned vehicles. This recommendation is included in Section 1-11-270 of the Code of Laws of South Carolina, 1976, as amended, and requires the log specifying beginning and ending mileage and job function performed to be designed by the State Budget and Control Board (SBCB).

#### Implementation of Trip Logs

For approximately one year after passage of the Vehicle Management Act, all agencies were required to submit copies of the logs to DMVM for inclusion in the Motor Vehicle Management Information System (MVMIS). However, due to the lack of funding the MVMIS was limited to include DMVM-managed vehicles only and agencies were directed to maintain copies of trip logs in their files for three years for audit and review. The requirement to forward copies to the DMVM was subsequently dropped.

In reviewing agency comments concerning trip logs, the DMVM presented a request to the SBCB from the Department of Highways and Public Transportation to exempt vehicles 10,000 GVW (gross vehicle weight) and above from the trip log requirement. These are vehicles weighing approximately one ton and above that are primarily task-related. The DMVM's recommendation included the unnecessary cost factor for maintaining logs on such special task vehicles. The request was approved by the SBCB.

Exempted also from the trip log requirement are vehicles utilized

for full-time law enforcement officers. Discussions between the supervisory law enforcement personnel indicated that a log such as the one designed by the Board might interfere with law enforcement functions. However, it appears that all law enforcement vehicles are required by the owning agencies to maintain mileage records for cost and reporting purposes.

During the 1979 Management Review, the DMVM found that the uniform log did not meet the data requirements of all of the agencies. Minor changes were allowed to permit the logs to satisfy the requirements of these agencies. As a result of the recommendation by the Legislative Study Committee, agencies were permitted to use a log of their design provided that agency-designed logs contained the information mandated in the Motor Vehicle Management Act and the Governor's Mileage Report. (The Act requires the log to specify beginning mileage, ending mileage, and job function performed. The Governor's Mileage Report indicates the total out-of-town miles traveled and notes those miles traveled with less than two people in agency-operated vehicles). Those agencies that have received approval to utilize trip logs of their own design are:

Department of Highways and Public Transportation

South Carolina Aeronautics Commission

Department of Corrections

Winthrop College

South Carolina Tax Commission

Vehicles leased from the DMVM Motor Pool are required to utilize the form designed by the SBCB.

#### Exceptions Reporting

The DMVM, in implementing the trip logs in the fall of 1978, recognized



that a detailed trip log should not be required by senior agency executives. These employees are placed in responsible supervisory positions by the many state boards and commissions and the Legislature. Given the authority to manage the affairs of state government, many agency directors and commissioners questioned the necessity of their maintaining such detailed logs.

As a result, the Legislative Study Committee, upon a recommendation from the Motor Vehicle Management Council, recommended that full-time agency directors and commissioners be exempt from maintaining detailed logs. These individuals are now required to report total official and commuting mileage traveled during the course of their duties. The DMVM designed a suggested format for the Exceptions Report, but has permitted agencies to use a format of their own design. The Exceptions Report may also be kept on a quarterly instead of a monthly basis.

During the 1980 Management Review, the DMVM found 28 agency directors and commissioners maintaining Exceptions Reports. Many agencies reported that they elected to continue using the DMVM designed log as it meets the needs of the agency director.

#### Conclusion

Trip logs and exception reporting appear to be beneficial to most agency supervisors in managing the vehicles under their control. Mileage reporting is available on all state-owned vehicles, except those weighing in excess of 10,000 GVW and some driven by full-time law enforcement officers.

## Chapter Eight

### RECOMMENDED AMENDMENTS TO THE MOTOR VEHICLE MANAGEMENT ACT

CHANGE	PURPOSE
Section 1-11-220. <u>Add</u> : "(f) To insure motor vehicles are operated in a safe manner in accordance with a state-wide Fleet Safety Program."	1. Establishes a Fleet Safety Program for vehicle safety/reduction of accidents and to attain a more favorable insurance rate.
Section 1-11-230. <u>Delete</u> : "To supervise the detailed operations of the Division of Motor Vehicle Management", and <u>add</u> : "To act in an advisory capacity concerning the operations of the Division of Motor Vehicle Management."	2. More accurately define the functions of the Motor Vehicle Management Council with respect to Council's relationship with the Division/Fleet Manager. (Fleet Manager reports directly to the SBCB. Council meets not less than quarterly.)
Section 1-11-260. <u>Delete</u> : Entire section and <u>add</u> : "The <u>Fleet Manager</u> 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 a summary of the Division's efforts in aiding and assisting the various state agencies in developing and maintaining their management practices in accordance with the comprehensive state-wide motor vehicle management program. This report shall also contain any recommended changes in the law and regulations necessary to achieve these objectives.	3. To require a summary of DMVM efforts in aiding and assisting agencies in vehicle management procedures. Requires Board to consult with agencies prior to publishing instructions.
The Board, after consultation with state agency heads, shall promulgate and enforce state policies, procedures and regulations to achieve the goals of this Section and shall recommend administrative penalties to be used by the agencies for violation of prescribed procedures and regulations relating to the Fleet Management Program."	
Section 1-11-270. <u>Delete</u> : Entire section and <u>add</u> : "The Board shall establish criteria for individual assignment of motor vehicles based solely on the functional requirements of the job, which	4. Change wording from trip logs <u>designed</u> by the Board to those <u>approved</u> by the Board. <u>Delete</u> requirement to maintain logs on vehicles above 10,000 GVW. Provides for exceptions reporting for

## CHANGE

## PURPOSE

shall reduce such assignment to situations clearly beneficial to the State. Only the Governor and statewide elective state officials shall be provided an automobile solely on the basis of their office. All other individuals permanently assigned with automobiles shall log all trips on a log form approved by the Board, specifying beginning and ending mileage and job function performed. However, trip logs shall not be maintained for vehicles assigned to full-time line law enforcement officers. Agency directors and commissioners permanently assigned state vehicles may utilize exceptions reporting denoting only official and commuting mileage in lieu of the aforementioned trip logs."

Section 1-11-280. Change "designed" to "approved."

Section 1-11-300. Delete: Entire section and add: "In accordance with criteria established by the Board, each agency 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 under their control. Agencies presently operating under existing systems may continue to do so provided that Board approval shall be required and that the existing systems shall be uniform with the criteria established by the Board. Beginning no later than July 1, 1981, all routine expenditures on a vehicle including gasoline and oil shall be purchased from state-owned facilities and paid for by the use of Universal State Credit Cards except in unavoidable emergencies. The Board shall promulgate rules and regulations regarding the purchase of motor vehicle equipment and supplies to ensure that agencies within a reasonable distance are not duplicating maintenance services or purchasing equipment that is not in the best interest of the State. The Board shall develop a uniform method to be used by the agencies to determine the cost per mile for each vehicle operated by the State."

Directors/Commissioners. Deletes requirements for full-time law enforcement officers to keep trip logs. Assignments beneficial vs. cost beneficial.

5. Same as 4 above.

6. Delete requirement that DMVM receive and pay all expenditures on motor vehicles. Require Board to provide uniform criteria to compute cost per mile. Board to publish rules and regulations to prevent agencies from duplicating maintenance services and/or purchasing equipment not in the best interest of the State. Establish uniform cost per mile and cost accounting system. Mandates state purchases--emergencies.

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CHANGE	PURPOSE
<p>Section 1-11-320. <u>Delete</u>: "permanent state government license plates, state seal decals, or agency decals" and <u>add</u>: "permanent state government license plates and either state or agency seal decals."</p>	<p>7. Punctuation change. Previous wording indicated motor vehicle could display plates, seal or decals.</p>
<p>Add new Section as follows: "The Board shall develop and implement a statewide Fleet Safety Program for operators of state-owned vehicles which shall serve to minimize the amount paid for rising insurance premiums and reduce the number of accidents involving state-owned vehicles. The Board shall promulgate rules and regulations requiring the establishment of an accident review board by each agency and mandatory driver training in those instances where remedial training for employees would serve the best interest of the State."</p>	<p>8. Establish a Fleet Safety Program.</p>
<p>Add new Section as follows: "The Legislative Audit Council shall audit compliance by the Division of Motor Vehicle Management and the agencies with this section every three years and publish its findings not later than April first each three year period beginning April 1, 1982."</p>	<p>9. Direct Legislative Audit Council to audit Division of Motor Vehicle Management and agencies at three (3) year intervals beginning April 1, 1982.</p>

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## APPENDIX I

The Motor Vehicle Management Review Committee  
in accordance with Concurrent Resolution S.572  
submits the following Report to the General  
Assembly for its consideration and concurrence.

After meeting with the Motor Vehicle Management Council, the staff of the Division of Motor Vehicle Management, and various agency heads and/or agency representatives concerned about the impact of implementation of the Division of Motor Vehicle Management regulations, the Review Committee found that many of the problems presently experienced by the Division of Motor Vehicle Management are a result of inadequate communication and interaction between the Division and the various agencies. Therefore, the following recommendations are designed to encourage the director of each state agency to provide input and direction as to how state-owned vehicles would be best utilized in his or her respective agency and to provide maximum cost-effective utilization of state-owned vehicles.

This report will deal individually with the following areas: Trip Logs, Vehicle Assignment, Commuting Charges, Identification, Type (size) Vehicle, Titles.

### Trip Logs

The trip log is intended as an agency management tool to be used at the agency level for recording and analyzing data essential to an accurate portrayal of cost and cost-effectiveness of the motor vehicle fleet. Trip logs, while essential to effective vehicle management, should not place any undue burdens in terms of time or personnel on vehicle operators or agencies; therefore, it is recommended that the log be kept only on vehicles with a gross vehicle weight (GVW) of 10,000 pounds or less. Agency directors and commissioners should not be required to maintain trip logs unless it is the desire of that particular agency director. Mileage in this case could be reported by use of an "exception report" as defined below. While the trip log approved by the Budget and Control Board is recommended, consideration should be given to allow agencies to continue using existing logs with the understanding that agency logs will provide the information required by the Governor's Office for their mileage report.

With respect to "exception" reporting, this technique allows agency heads, commissioners and others designated by the agency and approved by the Budget and Control Board to report mileage considered to be an exception from the normal official mileage driven. This would include personal use such as commuting. This form should be very simple and would report the total miles driven and of this total, the amount driven for personal use. Destinations, purpose and other data would not be required unless desired by the agency. Additionally, consideration could be given to allow this report to be on a quarterly basis to coincide with the Governor's Mileage Report.

# EXHIBIT

MAY 25 1981 NO. 7

## STATE BUDGET & CONTROL BOARD

The trip log and the exceptions report would be retained at the agency level for use by the agency and for audit purposes required by proper jurisdiction.

### Vehicle Assignment

It is recommended that vehicles permanently assigned to individuals continue for the period of one year if the agency head certifies the need individually. During this year, it is also recommended that each agency and the Division of Motor Vehicle Management study and determine, on the basis of trip logs and the functional requirements of each job, whether the permanent assignments should continue. Also, during this year, it is recommended that each agency, assisted by the Division of Motor Vehicle Management, study the feasibility of pooling vehicles in their agency rather than permanently assigning vehicles to individuals.

### Commuting Charges

It is recommended that commuting charges be postponed for the period of one year. At the conclusion of that year, agency directors and the Division of Motor Vehicle Management should determine to whom the charges should apply after a thorough study of trip logs/forms and job requirements. Full-time law enforcement officers shall not be charged. The specific amount of the charge should be determined at a later date by the Budget and Control Board after consultation with the agency directors, the Motor Vehicle Management Council, the Division of Motor Vehicle Management, the Legislative Audit Council, and/or other appropriate agencies. The funds collected from the commuting charges should be credited to the agency in which the individual is employed.

With respect to "line law enforcement officers", this term should be specifically defined by each agency after receiving guidelines from the Budget and Control Board.

### Identification

It is recommended that vehicles be exempt from the identification requirement only as specified in the Motor Vehicle Management Act with the understanding that this includes a broad spectrum of individual cases and needs. The recommendation of the agency director should weigh heavily on the consideration given the request by the Budget and Control Board.

### Type (Size) Vehicle

It is recommended that the present standards be retained as a part of the State's energy conservation program with the understanding that the standards be developed by the Vehicle Specifications Committee. This committee is an existing committee, the members being designated by the major state agencies, and the Energy Management Office to represent the specific needs of that agency as well as to provide expertise to the Division of Motor Vehicle Management in the preparation of vehicle specifications to be submitted to the Budget and Control Board for final approval.



### Titles

Titles to vehicles are essential in order to accurately determine the number and type of vehicles in the state's vehicle fleet. It is recommended that all titles to state-owned vehicles continue to be retained by Motor Vehicle Management as that Division is responsible for maintaining an accurate statewide vehicle inventory. As in the original Act, exempted from this requirement should be the Department of Highways and Public Transportation and the school buses and service vehicles operated by the State Department of Education. Consideration should also be given to exempting those vehicles used solely in undercover law enforcement operations as information contained on the titles is available to the general public and could jeopardize the investigation and the officer's well-being should it be released.

Implementation of the above recommendations can be handled administratively.

## Appendix II

### SUMMARY OF RESPONSES BY THE AGENCIES TO THE DMVM SURVEY

Agency	Total* Vehicles	No. P.A. <sup>1</sup> Vehicles	Total Motor Pool Vehicles	Total Commuting Vehicles	Total Bearing SG Tags	Total Bearing Seals	Cost Per Mile
Aeronautics Commission	30	1	11	2	29	27	n/a <sup>2</sup>
Commission on Aging	3	1	2	1	3	2	n/a
Dept. of Agriculture	35	1	6	0	33	32	n/a
Alcohol & Drug Abuse	8	1	7	0	8	8	.17
ABC Commission	51	46	5	0	2	0	.17
Archives & History	8	0	8	0	8	8	n/a
Arts Commission	5	1	4	1	5	5	.17
Attorney General	24	3	22	2	21	21	n/a
State Auditor	2	2	0	2	2	2	n/a
Commission for the Blind	7	0	6	0	7	7	.16
SBCB - Exec. Director	1	1	0	1	1	1	.17
Chiropractic Examiners Bd.	1	0	1	1	1	0	.29
Citadel	68	0	19	0	55	57	.23
Clemson University	649	1	129	20	621	586	.15
Coastal Council	9	2	7	1	9	9	.23
College of Charleston	37	0	10	0	33	34	.20
Consumer Affairs	1	0	1	0	1	1	.17
Dept. of Corrections	337	62	308	20	324	270	.24
Criminal Justice Academy	45	1	9	1	11	10	.17
Dairy Commission	2	1	0	1	1	0	.17
School for Deaf & Blind	39	0	39	0	39	39	n/a
Development Board	9	1	8	1	9	1	n/a

\* Includes agency-owned and DMVM-leased vehicles

<sup>1</sup> Permanently assigned vehicles to individuals for exclusive use

<sup>2</sup> n/a - Not Available

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<u>Agency</u>	<u>Total*</u> <u>Vehicles</u>	<u>No. P.A.</u> <u>Vehicles</u>	<u>Total</u> <u>Motor Pool</u> <u>Vehicles</u>	<u>Total</u> <u>Commuting</u> <u>Vehicles</u>	<u>Total</u> <u>Bearing</u> <u>SG Tags</u>	<u>Total</u> <u>Bearing</u> <u>Seals</u>	<u>Cost Per</u> <u>Mile</u>
Dept. of Education	35	19	15	27	34	34	n/a
ETV	53	21	28	1	53	48	.17
Election Commission	1	0	1	0	1	1	.17
ESC	23	2	15	1	23	17	.26
Forestry Commission	661	47	1	47	409	409	.73
Francis Marion College	23	1	7	0	23	23	.50
General Services	48	4	4	2	48	48	.24
Governor's Office - OEPP	33	1	32	0	17	15	.17
DHEC	323	1	12	24	258	257	n/a
Higher Education	2	1	1	1	2	2	n/a
DHPT	4,541	1,068	303	204	4,536	4,502	.16
Housing Authority	9	1	8	1	9	8	.17
Human Affairs	4	1	3	0	4	3	.17
Industrial Commission	6	6	0	5	6	3	.11
Insurance Department	7	0	7	0	7	6	.17
Juvenile Placement	26	1	5	25	26	5	.17
Dept. of Labor	1	1	0	1	1	1	.17
Land Resources	13	2	11	2	13	13	.17
Lander College	17	1	5	0	17	17	n/a
SLED	199	158	17	1	10	4	.23
State Library	5	0	5	0	5	5	.17
MUSC	52	2	12	1	52	50	.21
Mental Health	272	9	106	5	266	128	.24
Mental Retardation	244	8	79	12	242	163	.25

22584



<u>Agency</u>	<u>Total*</u> <u>Vehicles</u>	<u>No. P.A.</u> <u>Vehicles</u>	<u>Total</u> <u>Motor Pool</u> <u>Vehicles</u>	<u>Total</u> <u>Commuting</u> <u>Vehicles</u>	<u>Total</u> <u>Bearing</u> <u>SG Tags</u>	<u>Total</u> <u>Bearing</u> <u>Seals</u>	<u>Cost Per</u> <u>Mile</u>
DMVM	551 <sup>3</sup>	0	30	0	523	523	.15
Museum Commission	3	3	3	2	3	2	.17
Nursing Board	1	0	1	0	1	1	.17
Opportunity School	9	0	3	0	9	9	.26
PRT	147	14	3	0	144	128	.24
Patriots Point	2	0	2	2	2	2	.10
Personnel Division	3	1	2	1	3	3	n/a
Pharmaceutical Examiners	1	1	0	1	1	1	.17
Probation, Parole & Pardon	5	5	0	5	1	1	.17
Public Service Commission	41	41	0	0	41	41	.20
Research & Statistics	16	3	1	2	16	15	n/a
Residential Home Bldrs.	4	4	0	3	4	4	.17
Second Injury Fund	3	3	0	3	3	2	.17
Dept. of Social Services	219	1	217	1	212	210	n/a
S. C. State College	46	4	13	3	46	45	.33
Tax Commission	40	14	0	3	27	27	.17
Tech. & Comp. Education	72	7	15	5	70	66	.22
USC	332	4	24	2	321	320	.44
Veterans Affairs	1	0	1	0	1	1	.17
Vocational Rehabilitation	69	0	1	0	69	69	n/a
Water Resources	10	0	8	0	8	8	.17
Wildlife & Marine Resources	507	142	70	30	466	450	.24
Winthrop College	54	1	11	0	54	54	.30
Workmens Compensation Fund	8	8	0	6	8	0	.17
Youth Services	102	0	35	9	101	85	.23

3 - This figure also includes those vehicles leased to other agencies.

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Appendix II (continued)

SUMMARY OF RESPONSES BY THE AGENCIES TO THE DMVM SURVEY

<u>Agency</u>	<u>Limits of<sup>+</sup> Liability</u>	<u>No. Vehicles Collision Coverage</u>	<u>Total Accidents</u>	<u>Accident Review Board</u>	<u>Total SG Credit Cards</u>	<u>Total Commercial Credit Cards</u>
Aeronautics Commission	3	none	2	yes	20	60*
Commission on Aging	3	n/a	0	no	3	0
Dept. of Agriculture	3	4	2	no	42	3
Alcohol & Drug Abuse	3	none	0	no	8	0
ABC Commission	3	none	5	yes	47	1
Archives & History	1	none	0	no	10	0
Arts Commission	3	none	3	yes	5	0
Attorney General	3	n/a	0	no	24	0
State Auditor	3	1	0	no	2	0
Commission for the Blind	2	none	0	no	7	0
SBCB - Exec. Director	3	1	0	no	1	0
Chiropractic Examiners Bd.	3	none	0	no	1	0
Citadel	3	none	3	no	38	44*
Clemson University	3	4	75	no	359	122*
Coastal Council	3	none	1	no	10	0
College of Charleston	2	none	8	no	19	12*
Consumer Affairs	3	none	0	no	1	0
Dept. of Corrections	3	none	54	yes	85	1
Criminal Justice Academy	3	none	0	no	7	5*
Dairy Commission	3	none	0	no	1	0
School for Deaf & Blind	3	none	2	no	9	0
Development Board	3	none	1	no	9	41*

- + 1. 15-30-5  
 2. 50-100-25  
 3. 100-300-50

\* excessive number of commercial credit cards

22586

<u>Agency</u>	<u>Limits of Liability</u>	<u>No. Vehicles Collision Coverage</u>	<u>Total Accidents</u>	<u>Accident Review Board</u>	<u>Total SG Credit Cards</u>	<u>Total Commercial Credit Cards</u>
Dept. of Education	3	35	0	no	32	6*
ETV	3	3	6	no	60	41*
Election Commission	3	none	0	no	1	1
ESC	3	none	0	no	17	12*
Forestry Commission	3	none	8	yes	364	0
Francis Marion College	1	none	1	no	9	0
General Services	1	none	2	no	16	0
Governor's Office - OEPP	3	none	0	no	17	33*
DHEC	3	1	9	no	255	0
Higher Education	1	none	0	no	3	2*
DHPT	++	++	402	yes	0	0
Housing Authority	3	none	1	no	9	0
Human Affairs	2	none	0	no	4	0
Industrial Commission	3	none	0	no	6	0
Insurance Department	3	7	0	no	7	5*
Juvenile Placement	1	none	2	no	26	0
Dept. of Labor	3	none	0	yes	1	0
Land Resources	3	n/a	1	no	13	0
Lander College	1	none	1	no	18	2
SLED	n/a	none	16	no	165	165*
State Library	1	3	1	no	5	0
MUSC	3	2	15	no	28	0
Mental Health	3	none	37	yes	149	2
Mental Retardation	3	none	47	yes	110	9

++ Self-insured

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<u>Agency</u>	<u>Limits of Liability</u>	<u>No. Vehicles Collision Coverage</u>	<u>Total Accidents</u>	<u>Accident Review Board</u>	<u>Total SG Credit Cards</u>	<u>Total Commercial Credit Cards</u>
DMVM	3	none	31	yes	550	0
Museum Commission	3	none	0	no	3	0
Nursing Board	n/a	none	0	no	2	0
Opportunity School	1	none	0	no	4	3*
PRT	3	3	0	yes	80	0
Patriots Point	2	1	0	no	6	0
Personnel Division	3	3	1	no	4	0
Pharmaceutical Examiners	3	0	0	no	1	0
Probation, Parole & Pardon	3	none	0	no	5	0
Public Service Commission	3	n/a	0	no	41	0
Research & Statistics	3	none	2	no	20	1
Residential Home Bldrs.	3	n/a	0	no	4	0
Second Injury Fund	3	none	0	no	3	0
Dept. of Social Services	1	none	19	no	31	1
S. C. State College	1	none	3	no	10	10*
Tax Commission	3	4	1	no	40	3
Tech. & Comp. Education	3	none	1	no	29	0
USC	2	none	47	no	110	0
Veterans Affairs	3	n/a	0	no	1	0
Vocational Rehabilitation	3	18	2	yes	69	0
Water Resources	3	n/a	2	no	8	0
Wildlife & Marine Resources	3	none	32	yes	480	59
Winthrop College	3	none	3	no	14	0
Workmens Compensation Fund	3	none	0	no	8	0
Youth Services	1	none	6	yes	39	0

### Appendix III

#### LINE LAW ENFORCEMENT DEFINITION GUIDELINES

1. Everyone who is responsible for enforcing the law not necessarily a "law enforcement officer."
2. Is the position permanent and full-time?
3. Is the primary task of the position the detection and investigation of criminal acts?
4. Is a Law Enforcement Commission required?
5. Is the employee armed on a regular basis?
6. Does the employee receive uniform articles or a clothing allowance?
7. Does the employee have and exercise arrest power statewide?
8. Are these arrest powers restricted as to specific violation or professional field?
9. Does the employee make cases and appear as a witness?
10. Does the employee perform administrative duties more than 50% of the time?
11. Is the employee considered available for duty 24 hours a day?
12. Does the employee receive additional compensation for work in excess of the normal work day?
13. Is the employee a graduate of the S. C. Criminal Justice Academy or another police academy?
14. Is a two-way law enforcement radio essential for job function?
15. Does employee have the authority to arrest a felon?
16. Is the employee required to transport prisoners/suspects?
17. Is the employee required to transport confiscated items?
18. Can the employee arrest on "reasonable assumption" of criminal act or must he actually see crime committed?
19. Can the employee carry a weapon across state lines?
20. Is the employee sworn?
21. Is the employee's assigned vehicle equipped with a dome-mounted, oscillating, rotating or flashing blue light visible from a distance of five hundred feet?
22. Is the employee's assigned vehicle equipped with a siren, exhaust whistle or bell capable of giving an audible signal?
23. Is the employee considered to be "on duty" when in assigned vehicle? (proper attire, weapon, equipment)

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NOTE:

Appendix IV, Table 1, found on the following page, lists the number of state vehicles operated by each agency and the number of miles traveled in those vehicles. Excluded are school buses and service vehicles operated by the Department of Education, but included in this number are vehicles leased from DMVM. Columns 3-6 of Table 1 also indicate the estimated total miles traveled in P.O.V.'s for FY 79-80 and FY 76-77 and the approximate cost at the prevailing reimbursement rate (14¢ per mile for FY 76-77 and 18¢ per mile for FY 79-80). Not included are legislative committees and agencies with limited travel requirements by salaried state employees.

In reviewing columns 3-6, these figures also include mileage reimbursement paid to members of Boards and Commissions as is evident by the licensing boards with little or no staffs. Excluded also are school buses and service vehicles operated by the Department of Education.



# Appendix IV

## Table 1

NO. OF STATE VEHICLES AND MILES TRAVELED BY AGENCY AND NO. MILES TRAVELED IN P.O.V.

(ESTIMATED)	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Agency (by Budgetary Group)	No. State Vehicles FY 80	No. Miles Traveled in State Vehicles FY 80	Total Miles Traveled in P.O.V. FY 80	Total Miles Traveled in P.O.V. FY 77	Total Reimbursement - P.O.V. FY 80	Total Reimbursement - P.O.V. FY 77
<u>Executive and Administration</u>						
Governor's Office	27	187,521	257,828	707,566	46,409	99,058
SLED	198	**	1,567	-0-	282	-0-
Lt. Governor	1	**	744	-0-	134	-0-
Secretary of State	2	**	2,483	-0-	447	-0-
Comptroller General	3	12,241	13,900	-0-	2,502	-0-
Treasurer's Office	1	**	3,100	1,249	558	174
Adjutant General	24	75,953	5,594	73,497*	1,007	10,288*
Civil Air Patrol	11	**	-0-	-0-	-0-	-0-
Election Commission	1	9,036	17,628	19,406	3,173	2,716
Budget & Control Board:						
Motor Vehicle Management	2	7,283	6,300	-0-	1,134	-0-
General Services (Admin.)	90	709,876	155,928	779,815	28,067	109,174
Personnel	13	66,567	53,267	112,384	9,588	15,733
Research & Statistics	16	144,275	40,467	15,318	7,284	2,144
State Auditor	5	17,064	158,611	80,633	28,550	11,288
Retirement	1	NA	72,844	44,240	13,112	6,193
Planning	0	-0-	3,233	-0-	582	-0-
Executive Director	1	9,331	44,778	-0-	8,060	-0-
Local Government	1	6,972	-0-	-0-	-0-	-0-
Attorney General	26	353,836	137,611	141,095	24,770	19,753
<u>Education</u>						
Higher Education	3	29,543	51,256	53,069	9,226	7,429
The Citadel	52	323,672	60,783	66,152	10,941	9,261
Clemson University	633	4,084,389	5,162,994	5,130,971	929,339	718,336
College of Charleston	33	283,522	112,050	181,266	20,169	25,377
Francis Marion College	25	199,351	194,578	168,452	35,024	23,583
Lander College	17	104,312	152,344	92,494	27,422	12,949

\* includes Disaster Preparedness

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	No. State Vehicles FY 80	No. Miles Traveled in State Vehicles FY 80	Total Miles Traveled in P.O.V. FY 80	FY 77	Total Reimbursement - FY 80	P.O.V. FY 77
Agency (by Budgetary Group)						
Education (cont.)						
S. C. State College	46	426,989	803,022	134,961	144,544	18,894
University of S. C.	304	1,780,596++	665,322	379,962	119,758	53,194
Winthrop College	54	204,124	455,238	505,142	81,943	70,720
Medical University	52	272,167	536,272	384,386	96,529	53,814
Dept. of Education	143	510,776	1,145,350	1,406,553	206,163	196,914
Educational Television	53	632,449	116,993	120,620	21,048	16,886
Opportunity School	9	37,659	22,911	10,427	4,124	1,459
School for Deaf & Blind	39	455,934	91,811	65,209	16,526	9,129
Archives & History	8	103,325	8,017	15,817	1,443	2,222
State Library	5	44,169	7,378	10,664	1,328	1,493
Technical & Comp. Education	80	421,365	505,889	418,400	91,060	58,576
Criminal Justice Academy	43	125,228	10,233	33,445	1,842	4,682
Arts Commission	10	111,400	35,761	42,680	6,437	5,975
Museum Commission	2	38,556	32,550	13,125	5,859	1,837
Higher Educ. Tuition Grants	0	-0-	12,556	7,754	2,260	1,085
Adv. Council Voc. & Tech. Educ.	0	-0-	37,633	24,437	6,274	3,421
Confederate Relic Room	0	-0-	1,139	1,338	205	187
Commission on Women	0	-0-	10,172	13,080	3,001	1,831
Law Enf. Training Council	0	-0-	12,272	-0-	2,209	-0-
Law Enf. Off. Hall of Fame	0	-0-	6,817	-0-	1,227	-0-
Health						
DHEC	295	2,480,835	9,170,572	8,685,322	1,650,703	1,215,945
Mental Health	274	1,661,129	782,478	NA	140,846	NA
Mental Retardation	255	2,263,376	234,489	347,638	42,208	48,669
Alcohol & Drug Abuse	7	132,295	174,444	228,558	31,400	31,998
Social Rehabilitation Services						
Dept. of Social Services	189	2,138,916	11,032,633	13,073,755	1,985,874	1,830,325
Vocational Rehabilitation	60	1,155,337	1,877,528	2,370,127	337,955	331,817
John de la Howe School	15	94,976	6,117	11,028	1,101	1,544
Commission for the Blind	8	45,770	456,417	445,642	82,155	62,390
Human Affairs Commission	5	28,942	11,006	151,519	1,981	21,212
Commission on Aging	4	51,935	28,972	148,105	5,215	20,734

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Agency (by Budgetary Group)	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	No. State Vehicles FY 80	No. Miles Traveled in State Vehicles FY 80	Total Miles Traveled in P.O.V. FY 80		Total Reimbursement FY 80	P.O.V. FY 77
<u>Social Rehabilitation (cont.)</u>						
Second Injury Fund	3	33,588	15,394	20,950	2,771	2,933
Veterans Affairs	6	NA	19,711	21,464	3,548	3,005
Foster Care Review Board	4	NA	93,083	115,020	16,755	16,102
Children's Bureau	0	-0-	168,856	100,980	30,394	14,138
<u>Correctional</u>						
Dept. of Corrections	363	5,036,044	740,167	845,876	133,230	118,422
Juvenile Placement	19	180,078	806,378	315,388	145,148	44,154
Youth Services	110	983,450	347,722	825,165	62,590	115,523
Probation, Parole & Pardon	4	93,889	818,383	841,140	147,309	117,759
<u>Conservation, Natural Resources and Development</u>						
Land Resources	15	271,224	161,756	418,104	29,116	58,534
Forestry Commission	646	1,079,169	837,633	897,460	150,774	125,644
Dept. of Agriculture	39	423,454	898,544	858,257	161,738	120,156
Wildlife & Marine Resources	532	7,954,260	50,578	13,452	9,104	1,883
Coastal Council	2	121,334	52,144	-0-	9,386	-0-
Parks, Recreation & Tourism	148	1,295,642	325,811	315,246	58,646	44,134
Patriot's Point Dev. Auth.	1	18,869	18,133	28,281	3,264	3,959
Development Board	9	137,786	135,156	154,010	24,328	21,561
Water Resources	7	128,281	43,506	89,585	7,831	12,541
Clark Hill-Russell Auth.	0	-0-	16,206	18,916	2,917	2,648
Old Exchange Bldg. Comm.	0	-0-	15,900	-0-	2,862	-0-
Amer. Rev. Bicentennial Comm.	0	-0-	6,822	31,673	1,228	4,434
<u>Regulatory</u>						
Industrial Commission	6	99,555	61,567	49,237	11,082	6,893
Labor Department	2	20,929	815,400	862,073	146,772	120,690
Tax Commission	37	420,822	2,498,867	2,463,407	449,796	344,877
ABC Commission	51	66,729	211	-0-	38	-0-
Dairy Commission	1	10,793	29,256	41,470	5,266	5,805
Housing Authority	9	153,883	10,778	45,240	1,940	6,333
Residential Home Builders	5	71,025	16,994	62,240	3,059	8,713
Medical Examiners	5	56,987	17,467	-0-	3,144	-0-
Nursing Board	1	15,992	17,083	22,416	3,075	3,138

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	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Agency (by Budgetary Group)	No. State Vehicles FY 80	No. Miles Traveled in State Vehicles FY 80	Total Miles Traveled in P.O.V. FY 80	FY 77	Total Reimbursement - FY 80	P.O.V. FY 77
<u>Regulatory (cont.)</u>						
Consumer Affairs	1	19,652	30,006	19,586	5,401	2,742
Insurance Dept.	5	66,883	144,439	45,201	25,999	6,328
Pharmaceutical Examiners	1	17,961	13,172	10,041	2,371	1,405
Public Service Commission	43	64,063	289,872	169,181	52,177	23,685
Workmen's Compensation Fund	6	99,823	22,667	103,634	4,080	14,508
Bd. of Finance Institutions	0	-0-	356,283	357,169	64,131	50,003
Ethics Commission	0	-0-	10,744	8,653	1,934	1,211
Accountancy Board	0	-0-	15,155	10,436	2,728	1,461
Architectural Examiners Bd.	0	-0-	9,278	15,693	1,670	2,197
Auctioneers Commission	0	-0-	26,211	-0-	4,718	-0-
Barber Examiners Bd.	0	-0-	53,461	60,728	9,623	8,502
Cemetery Board	0	-0-	683	1,460	123	204
Chiropractic Examiners Bd.	1	1,441	1,367	-0-	246	-0-
Contractors Licensing Bd.	0	-0-	66,600	68,478	11,988	9,587
Cosmetic Art Examiners Bd.	0	-0-	87,350	89,903	15,723	12,586
Dentistry Board	0	-0-	15,572	-0-	2,803	-0-
Engineering Examiners Bd.	0	-0-	14,133	6,364	2,544	890
Bd. Cert. Environ. Syst. Oper.	0	-0-	2,800	7,296	504	1,021
Foresters Regis. Bd.	0	-0-	644	-0-	116	-0-
Funeral Service Bd.	0	-0-	32,950	42,368	6,114	5,931
Nursing Home Exam. Bd.	0	-0-	5,700	3,847	1,026	538
Occupational Therapy Bd.	0	-0-	3,317	-0-	597	-0-
Opticianry Examiners Bd.	0	-0-	7,511	-0-	1,352	-0-
Optometry Examiners Bd.	0	-0-	12,622	-0-	2,272	-0-
Physical Therapist Ex. Bd.	0	-0-	3,678	3,268	662	457
Podiatry Examiners Bd.	0	-0-	1,417	-0-	255	-0-
Psychology Bd. of Examiners	0	-0-	2,183	-0-	393	-0-
Real Estate Commission	0	-0-	74,383	28,927	13,389	4,049
Registered Sanitarians Bd.	0	-0-	2,767	757	498	106
Social Workers Reg. Bd.	0	-0-	2,422	3,128	436	437
Speech Path. & Audi. Ex. Bd.	0	-0-	14,411	2,594	328	363
Veterinary Medicine Ex. Bd.	0	-0-	4,200	-0-	756	-0-
Nuclear Advisory Council	0	-0-	1,256	9,956	226	1,393
Employment Security Commission	23	169,901	2,049,767	7,254	368,958	1,015

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	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>	<u>Column 6</u>
<u>Agency (by Budgetary Group)</u>	No. State Vehicles FY 80	No. Miles Traveled in State Vehicles FY 80	Total Miles Traveled in P.O.V. FY 80      FY 77		Total Reimbursement - P.O.V. FY 80      FY 77	
<u>Transportation</u>						
Aeronautics Commission	36	223,905	15,689	15,381	2,824	2,153
DHPT	4,734	8,836,815	147,772	155,058	26,369	21,708
<u>Legislative</u>						
Legislative Info. Systems	1	6,972	-0-	-0-	-0-	-0-
STATE TOTAL	10,022	50,024,191	47,583,868	47,420,712	8,565,085	6,691,153

++ Approximated

\*\* Not required to file this information

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Appendix IV

Table 2

AGENCIES UTILIZING DMVM DAILY MOTOR POOL VEHICLES  
JULY - DECEMBER 1980

Agency

Adjutant General  
Commission on Aging  
Department of Agriculture  
Attorney General  
Arts Commission  
State Auditor  
Commission for the Blind  
Children's Bureau  
Children's Foster Care Review Bd.  
Comptroller General  
Consumer Affairs Commission  
Development Board  
Department of Education  
Employment Security Commission  
Governor's Office - OEPP  
Fire Marshal  
Forestry Commission  
General Services  
Health & Environmental Control  
Commission on Higher Education  
Highways & Public Transportation  
House of Representatives  
Industrial Commission  
Juvenile Placement and Aftercare

Agency

Labor Department  
Land Resources Commission  
Legislative Audit Council  
Legislative Information Systems  
Board of Medical Examiners  
Motor Vehicle Management  
Parks, Recreation and Tourism  
State Personnel  
Probation, Parole and Pardon Board  
Public Service Commission  
Reorganization Commission  
Research and Statistical Services  
Retirement System  
Second Injury Fund  
Senate  
Department of Social Services  
South Carolina State College  
Supreme Court  
Tax Commission  
Technical & Comprehensive Education  
University of South Carolina  
Water Resources Commission  
Workmen's Compensation Fund



Appendix V

GASOLINE CONSUMPTION BY AGENCY FOR JULY-DECEMBER 1980

<u>Agency</u>	Estimated All Cars July-December 1980	
	<u>State Gas %</u>	<u>Commercial Gas %</u>
Aeronautics Commission	84	16
Commission on Aging	84	16
Department of Agriculture	54	46
Alcohol and Drug Abuse	24	76
ABC Commission	87	13
Archives and History	90	10
Arts Commission	46	54
Attorney General	58	42
State Auditor	97	3
Commission for the Blind	100	0
SBCB - Executive Director	54	46
Chiropractic Examiners	100	0
Citadel	95	5
Clemson University	80	20
Coastal Council	87	13
College of Charleston	98	2
Consumer Affairs	87	13
Department of Corrections	98	2
Criminal Justice Academy	97	3
Dairy Commission	97	3
School for the Deaf & Blind	100	0
Development Board	69	31
Department of Education	94	6
ETV	54	46
Election Commission	88	12
ESC	46	54
Forestry Commission	95	5
Francis Marion College	88	12

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<u>Agency</u>	Estimated All Cars July-December 1980	
	<u>State Gas %</u>	<u>Commercial Gas %</u>
General Services	28	72
Governor's Office - OEPP	53	47
DHEC	46	54
Commission on Higher Education	67	33
DHPT	100	0
Housing Authority	95	5
Human Affairs	55	45
Industrial Commission	67	33
Insurance Department	84	16
Juvenile Placement & Aftercare	31	69
Department of Labor	73	27
Land Resources	74	26
Lander College	98	2
SLED	93	7
State Library	92	8
MUSC	79	21
Mental Health	83	17
Mental Retardation	92	8
DMVM - Administration	100	0
Motor Pool	65	35
Museum Commission	86	14
Nursing Board	4	96
Opportunity School	42	58
PRT	19	81
Patriots Point	16	84
Personnel Division	76	24
Pharmaceutical Examiners	86	14
Probation, Parole & Pardon	91	9
Public Service Commission	73	27
Research and Statistics	21	79
Residential Home Builders	98	2
Second Injury Fund	77	23

<u>Agency</u>	Estimated All Cars July-December 1980	
	<u>State Gas %</u>	<u>Commercial Gas %</u>
Department of Social Services	46	54
S. C. State College	95	5
Tax Commission	83	17
Tech. & Comp. Education	58	42
USC	95	5
Veterans Affairs	96	4
Vocational Rehabilitation	67	33
Water Resources	24	76
Wildlife & Marine Resources	80	20
Winthrop College	90	10
Workmen's Compensation Fund	85	15
Youth Services	94	6



Appendix VI

AGENCY DEFINITIONS

"Full-Time Law Enforcement Officer"

<u>Agency</u>	<u>Definition</u>
University of South Carolina	Chief of Campus Police and Detective. Works normal working hours, but is on call 24 hours per day.
Aeronautics Commission	Director responsible for law enforcement support functions and is available for 24 hour call by Chief of SLED.
ABC Commission	Any full-time, permanent employee who holds a constable's commission from the Governor of South Carolina, who receives a clothing allowance, is available for duty 24 hours a day, is issued a weapon, is assigned a vehicle equipped with siren and flashing blue light and whose job description requires that the employee enforce the liquor laws of the State of South Carolina, or who is the immediate supervisor of those who directly enforce the laws of South Carolina.
Attorney General	An attorney or investigator assigned to a confidential criminal matter as defined by the Attorney General only.
Department of Corrections	Management and supervisory positions in which the incumbents must respond in connection with institutional disorders and/or incident to the S.C. Comprehensive Disaster Preparedness Plan and the S.C. Radiological Emergency Response Plan. These positions are classified as Category I positions.
General Services	Director of Pyrotechnic Safety. Section is on 24 hour call and involved in law enforcement by law.
Governor's Office - OEPP	Director of Public Safety Program is assigned by the Governor to be on call 24 hours a day in the event of a state-wide emergency.

Agency

Definition

DHEC (Department of Health and  
Environmental Control)

Environmental Quality Control officers and Public Safety officers are utilized in the shellfish and litter control programs. These are permanent full-time positions with primary responsibility for enforcement of violators of the shellfish and litter laws. They frequently assist other law enforcement officers. The employees are commissioned and attend the South Carolina Criminal Justice Academy. Generally the employees work a 37½ hour week (adjusted in some cases to include weekends), but are subject to 24 hour call. Employees are equipped with side arms, uniforms, vehicles (marine when necessary) including blue lights, two way radio, CB radio (in some cases), and technical equipment, as required, e.g. refractometer.

Inspectors and Investigators with the Bureau of Drug Control are commissioned officers with statewide police powers. They have the authority to carry firearms, execute and serve search warrants, arrest warrants, inspection warrants, subpoenas and summonses. They have the authority to perform criminal investigations to determine if there have been unlawful dispensing of controlled substances from regulated establishments. They have the authority to seize property and make warrantless arrests for offenses committed in their presence. They are required to transport state witnesses, prisoners and large quantities of evidence and/or contraband materials. They must be available on a 24 hour immediacy basis, seven days a week.

DHPT (Department of Highways and  
Public Transportation)

Patrol Officers who wear uniforms full time while in performance of their duties and who have been certified by the South Carolina Law Enforcement Training Council and commissioned by the Governor and Secretary of State are considered full time line law enforcement officers.

Human Affairs

The director of this agency is a commissioned constable and is also commissioned by SLED to enforce the law. His is a permanent full time position and he is on call 24 hours a day. He performs administrative

<u>Agency</u>	<u>Definition</u>
Human Affairs (continued)	duties, makes cases and appears as a witness. His vehicle is equipped with a SLED radio, flashing blue light and a siren. He often assists the Chief of SLED whenever needed.
Juvenile Placement and Aftercare	Responsible for hearing cases of those juveniles suspected of violating the conditions of their release. If probable cause of violation is demonstrated, the youth may be returned to the institution to await a formal revocation hearing before the State Board, or he may remain in the community under additional conditions.
Lander College	Full time public safety officers.
SLED (State Law Enforcement Division)	One who has the power to arrest and whose assignment is wholly or in part the investigation of criminal cases or related activities; such as criminalistic endeavors.
Medical University of South Carolina	Investigator/Deputy Chief of Public Safety.
Mental Health	Campus Police vehicle and the vehicle assigned to the Chief of Public Safety.
Mental Retardation	Each of our four institutions has one or more security or public safety uniformed officers who holds a statewide constable's commission. One specially equipped patrol vehicle is assigned to each institution. Security officers are not authorized to commute in patrol or other vehicles.
Board of Pharmacy	Vehicle used in routine inspection of pharmacies; investigate complaints; surveillance; meet informants; travel to and from for purchase of evidence, etc.
Probation, Parole and Pardon Board	Must enforce the orders of the Court and Parole Board and arrest individuals in violation. Also transport violators in and out of State.



<u>Agency</u>	<u>Definition</u>
Public Service Commission	Enforcement personnel are certified police officers who are required to attend the South Carolina Criminal Justice Academy. They are uniformed and required to carry side arms. The vehicles used are equipped with blue lights and sirens and bear the agency seal. The enforcement personnel are on call 24 hours a day.
South Carolina State College	A Public Safety Officer protects the security of persons and property of state facilities. He also enforces state, county, and municipal laws.
Tax Commission	Criminal Intelligence Division - A State Commissioned Police Officer, full time employed with the Tax Commission subject to call 24 hours a day, seven days a week.
Wildlife and Marine Resources	Those persons whose primary job task responsibility is the enforcement of game, fish and boating laws of the State of South Carolina as specified under Title 50.
Youth Services	Those personnel within the agency who have been duly appointed by the agency director to perform law enforcement functions within the jurisdiction of the Department of Youth Services mandates.

Appendix VII

SECTION 24

Motor Vehicle Management Act

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 consisting 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 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 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 extraordinary 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 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 individual 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 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.

22607

### Appendix VIII

#### BREAKEVEN ANALYSIS TO DETERMINE THE NUMBER OF MILES THAT SHOULD BE DRIVEN BEFORE IT IS MORE ECONOMICAL TO OPERATE AND MAINTAIN A STATE AUTOMOBILE THAN PAY POV REIMBURSEMENT

The following assumptions and generalizations were made:

1. Gasoline Cost Per Gallon = \$1.40  
Average Miles Per Gallon for Fleet = 18  
$$G = \text{Cost of Gasoline Per Mile} = \frac{\text{Cost Per Gallon}}{\text{Average Miles Per Gallon}} = \frac{\$1.40}{18} = \underline{\underline{\$.078 \text{ Per Mile}}}$$
2. Based on the DMVM Motor Pool monthly printout, total maintenance costs for FY 78-79 were \$123,061.47 and 6,658,150 miles were driven. The maintenance cost per mile was \$.0814. Assume that this is an estimate of maintenance cost per mile for the rest of the fleet.  
$$M = \text{Maintenance Cost Per Mile} = \$.0184$$
3. Average Replacement Cost = \$6,000  
Average Resale Value = 1,000  
Automobile is kept 4 years.  
$$D = \text{Annual Depreciation} = \frac{\text{Replacement Cost} - \text{Resale Value}}{\text{Number of Years Maintained}} = \frac{\$6,000 - 1,000}{4} = \underline{\underline{\$1,250 \text{ Per Year}}}$$
4. Annual Insurance Cost for 100/300/50 coverage under the Current Fleet Policy = \$107  
$$I = \text{Annual Insurance Cost} = \underline{\underline{\$107 \text{ Per Year}}}$$
5. Gasoline, maintenance, depreciation and insurance are the basic costs to operate and maintain a state automobile.
6. O = Overhead Cost Per Mile - estimated to be \$.01 per mile.

If X = the number of miles driven in one year and R = the reimbursement rate per mile for POV (projected \$.23 per mile), the following formula may be used to calculate the breakeven point:

$$\begin{aligned} \text{Annual Cost of State Car} &= \text{Payment of POV Reimbursement} \\ OX + GS + MX + D + I &= RX \end{aligned}$$

Where X = number of miles to be traveled in one year

D = Depreciation costs for one year

I = Insurance costs for one year

G = Gasoline costs per mile



M = Maintenance costs per mile  
O = Overhead cost per mile  
R = Reimbursement per mile for POV

$$OX + GX + MX + D + I = RX$$

$$$.01X + $.078X + $.0184X + \$1250 + \$107 = $.23X$$

$$X = \underline{\underline{10,979 \text{ miles}}}$$

Using the information above, the DMVM estimates that an automobile must be driven a minimum of 11,000 miles before it is more economical to operate and maintain a state car than pay POV reimbursement. If a driver travels less than this, it is cheaper to pay POV reimbursement than assign him a state automobile.

22609

Appendix IX

AGENCIES' COMMENTS ON MVM ACT

22610

<u>Agency</u>	<u>Favorable Comments On Act As Is</u>	<u>Ways To Improve The Act</u>
Archives & History	States maintenance shop has been beneficial but feels vehicles should be repaired in less time.	Recommends better definition of who should be permanently assigned a vehicle and the circumstances of usage in commuting.
Arts Commission		Says improvement is needed in the areas of commuting charges and insurance coverage.
SBCB - Finance Div.		Feels that only commuting mileage, not official mileage, should have to be recorded.
Coastal Council		Clarification of the Exception Report is needed.
Dept. of Corrections	Thinks Paragraph I concerning a uniform accounting system should be stressed.	Suggests that insurance is needed to protect against auctioning DMVM vehicles that are in better condition than those owned by some agencies.
Development Board	Records for maintenance and Purchase/ Disposal of vehicles have been beneficial.	Would like to see trip logs (exceptions report) for assigned vehicles improved.
Forestry Commission	Gives supervisors some assistance in control of vehicle use.	Wants fire fighting and maintenance service equipment made exempt.
DHEC	Recommends emphasizing the purchase of more state gasoline.	Thinks that Commissioners should be exempt from commuting charges, but that they should be enforced elsewhere when feasible.

Agency

Favorable Comments On Act As Is

Ways To Improve The Act

Insurance Commission

All agencies should use the same rules and use the vehicles only for state business.

Housing Authority

Feels that having a state seal on the car aids in eliminating abuse of the car.

Lander College

The short-term use of a leased vehicle from DMVM has helped during peak periods.

Questions the usefulness of logs, especially on maintenance vehicles; states purchasing vehicles from state contract presents service problems since often there is no dealer in that area for make of vehicle.

MUSC

Central Policy Management has been beneficial.

Suggests elimination of commuting reimbursement.

Museum Commission

Urges continuance of vehicle leasing to agencies.

Needs clarification on commuting charges.

Nursing Board

Thinks another two members should be added to Council to represent large and small agencies. They should be voted on by agency heads.

Personnel Division

Exceptions reporting is very beneficial to this agency.

Pharmaceutical Examiners

Says should not charge for commuting when vehicle is assigned for other useage.

Probation, Parole & Pardon

Reports that trip logs have been of benefit in analyzing proper utilization of time as well as vehicle.

22611



<u>Agency</u>	<u>Favorable Comments On Act As Is</u>	<u>Ways To Improve The Act</u>
Veterans Affairs	Keeping log has been helpful.	
Vocational Rehabilitation	Benefit has come from being able to lease vehicles from DMVM.	
Water Resources	States that services provided through maintenance and short-term use of vehicles have been good.	
Wildlife & Marine Resources		Feels trip logs are useless and should be done away with.
Criminal Justice Academy	Recommends emphasizing requirement that accurate records be maintained.	
Employment Security		Says State Motor Pool and Garage need expanding.
USC	Identification under the state seal as to what agency of the State owns the vehicle.	Revise requirements of trip log requests.
School for Deaf & Blind		If consensus cannot be reached concerning criteria for assignment of vehicles, the legislature should impose definition of the categories. Clearer emphasis on the mandate to design a system of interagency and interagency motor pools.

## ANNOTATED BIBLIOGRAPHY\*

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Virginia. Management and Use of State-Owned Motor Vehicles. Joint Legislative Audit and Review Commission, 1979. A report to the legislature noting problem areas in vehicle management and recommending areas of improvement.

### National Publications

National Association of Fleet Administrators. NAFA Bulletin: New York, New York. A comprehensive periodical published by NAFA. Various editions were used and are available in the DMVM files.

Runzheimer and Company, Inc. Runzheimer Reports on Transportation. Rochester, New York, 1980. A monthly report covering detailed areas of fleet management. Various editions were used and are available in the DMVM files.

Commerce Clearing House, Inc. Federal Income Tax Rulings, 1976. Contains the Keeter decision affecting commuting and the Internal Revenue Service.

Runzheimer and Company, Inc. Analysis of Business Car Policies and Costs. Rochester, Wisconsin: Runzheimer, 1975. An in-depth analysis of all factors involved in purchasing and regulation of vehicle fleets.

The Council of State Governments. State and Local Government Purchasing. Lexington, Kentucky; 1975. A glossary of terms and definitions relating to state and local government purchasing.

### South Carolina Publications

Legislative Audit Council. Program and Operational Review of the Acquisition, Use and Management of South Carolina State-Owned Motor Vehicles. Columbia, South Carolina; 1978. The initial report by the Council covering all aspects of management of state-owned vehicles and recommendations in each area.

State Tax Commission. Income Tax Act, 1926. Columbia, South Carolina; 1980. The complete provisions of the corporation license tax with a subject index.

South Carolina Governor's Office. Survey Report and Recommendations. Governor's Management Review Commission; Columbia, South Carolina; 1972. An examination of the administration of services in South Carolina and accompanying recommendations.

South Carolina State Budget and Control Board. Motor Vehicle Management Manual. Columbia, South Carolina; 1975. This manual specifies current state government policy regarding state-owned motor vehicles including procedures and instructions.

South Carolina State Budget and Control Board. Annual Report to the General Assembly. Columbia, South Carolina; 1979. Included in this briefing is a history of the Division of Motor Vehicle Management, organizational chart and listing of recent accomplishments.

South Carolina State Budget and Control Board. Report of Special Panel on State of South Carolina Motor Vehicle Management Problem Areas. Columbia, South Carolina; 1975. The report of a special panel assembled by the Council of State Governments which reviews and makes recommendations on problem areas relevant to management of state-owned and operated passenger vehicles.

\*Included also were minutes from meetings and correspondence with various officials. Copies are available in the DMVM files.



# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

MAY 25 1981

NO. 8

ITEM NUMBER 2

## STATE BUDGET & CONTROL BOARD

Agency: Finance Division (Budget Development)

Subject: Transfer Requests (TEC and Department of Corrections)

(a) Technical and Comprehensive Education request: Staff advises that TEC had submitted a supplemental appropriation request of \$570,000 to fund training commitments in their special schools industrial program but that, after several discussions, it has been determined that approval of certain transfers of funds and the granting of authority to use the \$56,494 of base pay and related fringes left in their original allocation would make it possible to withdraw the supplemental request.

(b) Department of Corrections request: As the last state in the Department's deficit management plan being monitored by the Budget Development staff, this request is for authorization to transfer \$376,000 of personal service funds generated by the December 1980 reduction in force to operating accounts (contractual services, hospital fees, physicians fees, supplies, and fixed charges). Staff indicates that approval of this action is expected to eliminate the current year deficit of the Department.

### Board Action Requested:

- (a) Authorize TEC to transfer \$327,000 from computer system, \$68,000 from innovative technical training (Design for the 80's), \$71,000 from Mobile Training Units, and \$56,494 from the base pay increase allocation to industrial services; and  
(b) Authorize the Department of Corrections to transfer \$376,000 of personal service funds to the referenced operating accounts.

### Staff Comment:

This item was carried over from the May 12, 1981 meeting.

### Attachments:

- (a) Case April 30 memorandum to Vaughn; and  
(b) Dorn May 5 memorandum to Vaughn and others

22615

*Technical and Comprehensive Education*  
*Summary of New Jobs for which Supplemental were requested*

JUSTIFICATION: (continued)

The estimated additional commitments are required to cover training for jobs in the following product areas:

Chemical	20
Plastics	50
Metalworking	1,948
Textiles	345
Other	120
Total New Jobs	<u>2,483</u>

The current and projected training programs are in support of 70 industries requiring 9,543 trained employees of which 3,369 employees have been trained since the individual training programs began.

Failure to support the commitments to new and expanding industry would have a devastating long-range impact on the industrial and economic development efforts of the State.

Recognizing that the supplemental request is based on estimates, the specific line-item distribution will be determined as individual training budgets are refined in terms of temporary instruction and training materials and supplies. Any funds not required to meet training commitments will in course be returned to the General Fund.

EXHIBIT

MAY 25 1981 NO. 8

STATE BUDGET & CONTROL BOARD

# STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Robinson Building, Lexington Avenue, West Columbia, South Carolina 29169

April 22, 1981

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Columbia, S.C.  
Superintendent of Education  
Executive

ROBERT L. JONES  
Columbia, S.C.  
State Board of Education  
Executive

Mr. Edgar A. Vaughn, Jr.  
State Auditor  
207 Wade Hampton Office Building  
Columbia, South Carolina 29211

Dear Mr. Vaughn:

In follow-up to my letter of April 13, 1981, the internal adjustments to appropriations that will be requested to accommodate the deficit in our Industrial Services program are identified as follows:

1. Subsequent to our initial supplemental request in January the procurement process for a new computer has been additionally delayed, thereby eliminating any outlay of funds during the current fiscal year. The current amount earmarked for the new computer is approximately \$327,000. The transfer will be from Instructional Programs to Industrial Services.
2. The initial plans in Innovative Technical Training (Design for the 80's) were reduced to perform a minimum of activities within this fiscal year. The reduction of innovative training activity provided \$68,000 to be transferred from Instructional Programs to Industrial Services.
3. The operating support for managing the Mobile Training Units in the Innovative Training area was deferred as a result of delay in procurement of the mobile units. Approximately \$71,000 is budgeted in the Industrial Service Program for mobile unit operations.
4. As indicated in the request for 80/81 Base Pay and merit allocation, \$56,494 would be available for the Industrial Program.

The remainder of the deficit will be covered as result of refinement of budget projections for the remainder of the fiscal year in Administrative departments and slippage in the start-up dates in some of the new industry training programs. All of the detailed departmental budget analyses have not been completed at the date of this letter, therefore, the request for actual transfer of funds will follow.

Again, your assistance in this matter is greatly appreciated.

Sincerely,

*Donald R. Peterson*

Donald R. Peterson  
Fiscal Affairs Coordinator

cc: Wyman D. Shealy

22617


RECEIVED  
APR 25 1981  
STATE AUDITOR'S OFFICE  
BUDGET DIVISION



*Felt  
Rogers*

M E M O R A N D U M

TO: Edgar A. Vaughn, Jr.  
Jesse A. Coles, Jr.  
Preston Cantrell

FROM: George N. Dorn, Jr. 

DATE: May 5, 1981

Attached please find a letter of April 29th from the Department of Corrections with a transfer request in the amount of \$376,000. This represents the last stage of the Department's deficit management plan which we have been monitoring. The major phases of this plan are summarized below:

1. Budget approximately \$2 million operating funds in S.C. Dept. of Corrections budget for next fiscal year.
2. Transfer by Board on January 13, 1981, \$437,776 excess personal service to operating FY 80-81.
3. Transfer by B & C Board \$1,467,714 lapsing "new position" funds to operating 80-81, pursuant to joint resolution adopted by Legislature.
4. Recommendation of \$100,000 1981 supplemental.
5. Pending - Transfer of excess personal service funds generated by the December, 1980 RIF to operating.

This action should eliminate the current year deficit at S. C. Dept. of Corrections as best I and their budget office can ascertain.

RECOMMEND APPROVAL.

attachments

/dm

22618

# STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Education Building, Lexington Avenue, West Columbia, South Carolina 29169

April 13, 1981

RECEIVED

STATE AUDITOR'S OFFICE  
DIVISION OF ADMINISTRATION

Mr. Edgar A. Vaughn, Jr.  
State Auditor  
207 Wade Hampton Office Building  
Columbia, South Carolina 29211

Dear Mr. Vaughn:

On April 8, 1981, we submitted our personal service reconciliation requesting the transfer of the 80/81 Base Pay and Merit funds. The amount requested was \$56,494 less than the initial Budget and Control Board allocation.

By this letter we are requesting that the \$56,494 be transferred to our accounts to assist in management of the deficit situation previously identified in our Industrial Services program.

Through control of expenditures in other program areas and as a result of no earlier indication of assistance with the Industrial Services deficit, we have identified funds within existing appropriations (inclusive of the \$56,494) to avoid the deficit as projected at this time. In order to work with the deficit situation, it will be necessary to have total program and line item flexibility within the remaining appropriations.

Your assistance in this matter will be greatly appreciated.

Sincerely,

*Donald R. Peterson*

Donald R. Peterson  
Fiscal Affairs Coordinator

cc: Wyman D. Shealy

22619

WILLIAM D. SHEALY  
EXECUTIVE DIRECTOR

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Eleventh Congressional District

# State of South Carolina

## STATE BUDGET AND CONTROL BOARD

Finance Division

Columbia

Form 1-77  
Rev. July

Date: April 28, 1981

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 1980-81

Section	Item	Activity and Account	Organization No.		Account No.	Transaction Code	AMOUNT	
							DEBIT	CREDIT
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	50,000.00	
		HOUSING CARE SECURITY-CONTRACTUAL SERVICES	N04	050000	11813225	1 1602		50,000.00
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	125,000.00	
		HOUSING CARE SECURITY-HOSPITAL FEES	N04	050000	11813230	1 1602		125,000.00
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	83,000.00	
		HOUSING CARE SECURITY-PHYSICIAN'S FEES	N04	050000	11813229	1 1602		83,000.00
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	80,000.00	
		WORK & VOCATIONAL ACTIVITIES - SUPPLIES	N04	100000	11813236	1 1602		80,000.00
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	25,000.00	
		INTERNAL ADMINISTRATION & SUPPORT-SUPPLIES	N04	010000	11813210	1 1602		25,000.00
		HOUSING CARE SECURITY-CLASSIFIED POSITIONS	N04	050000	11813214	2 1602	13,000.00	
		INTERNAL ADMINISTRATION & SUPPORT-FIXED CHARGES	N04	010000	11813211	1 1602		13,000.00
TOTAL							376,000.00	376,000.00

### 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.

22620





# south carolina department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221  
TELEPHONE (803) 758-6444  
WILLIAM D. LEEKE, Commissioner

April 29, 1981

Mr. George Dorn  
Budget Analyst  
State Auditor's Office  
Post Office Box 11333  
Columbia, South Carolina 29211

Dear George:

*December 1980* → The attached transfer is reflective of our overall deficit management program for FY 1980-81. We are herein requesting the transfer of Personal Service Slippage, generated by the Reduction-in-Force, to the accounts in which we have projected a critical shortfall of funds. The \$376,000 has all been generated as a direct result of the RIF and does not include any slippage from new positions.

Should you have any questions concerning this transfer, please contact DeAnn Ellisor.

Sincerely,

L. D. Branham, Chief  
Financial Accounting Branch

LDB:rp

Attachment

cc: Dr. John F. Kososki  
Ms. DeAnn Ellisor  
Ms. Lillian Jeffcoat

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22621

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

MAY 25 1981

NO. 9

ITEM NUMBER 3

## STATE BUDGET & CONTROL BOARD

Agency: State Fire Commission

Subject: Proposed Regulations

As was indicated in the April 21 memorandum from Bill McInnis to Board members, these proposed regulations were filed by Assistant Attorney General C. H. Jones, Jr., who expected that they will have been published in the State Register by Friday, April 24, 1981. The memorandum also indicated that these regulations would be included on this agenda for the purpose of Board action on these proposals which, at the time of this meeting, will be within the required thirty-day review period. The Board will be asked to take final action on these regulations at its May 25, 1981 meeting after the review period has been completed.

Attorney Jones plans to call late Monday morning to advise the Board on the results of a hearing on these regulations held beginning at 10:00 a.m. Monday. He assumes there will be no substantial change of the regulations as a result.

### Board Action Requested:

If hearing results permit, approve.

### Staff Comment:

### Attachments:

McInnis April 21 memorandum to Board plus attachments

22622

# EXHIBIT

MAY 25 1981

NO. 9

## State of South Carolina State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 21, 1981

### MEMORANDUM

TO: Members of Budget and Control Board

FROM: William A. McInnis *WAM*

SUBJECT: Proposed Regulations for State Fire Commission

A copy of the referenced proposed regulations is attached for your review. They were filed today by Assistant Attorney General C. H. Jones, Jr., who indicates his understanding that they will be published in the State Register by Friday, April 24, 1981.

These proposed regulations will be included on the agenda for the April 28 meeting. At that time, the Board will be asked to act on these proposals which, at that time, will be within the required thirty-day review period. The Board will be asked to take final action on these regulations at its May 25, 1981 meeting.

WAM:dw  
Enclosure

22623



The State of South Carolina



Office of the Attorney General

C. HAVIRD JONES JR.  
ASSISTANT ATTORNEY GENERAL

WADE HAMPTON OFFICE BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S. C. 29211  
TELEPHONE 803-752-2381

DANIEL R. McLEOD  
ATTORNEY GENERAL

April 21, 1981

Ms. Lynn P. Bartlett  
Associate Editor  
State Register  
Legislative Council  
State House  
Post Office Box 11417  
Columbia, South Carolina 29211

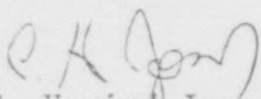
Re: Proposed Regulations for State Fire Commission

Dear Ms. Bartlett:

Enclosed please find three copies, two signed and one unsigned, of the Proposed Regulations for the State Fire Commission. It is my understanding that these will be published in the State Register by Friday, April 24, 1981.

Thank you for your assistance in this matter.

Yours truly,

  
C. Havird Jones, Jr.  
Assistant Attorney General

CHJjr/nm

Enclosures

cc: ✓ Mr. William T. Putnam  
Chief David A. MacLellan  
Chief Glenn T. Cogdill  
Chief Brunson L. Cromer  
Chief Robert L. White, Jr.  
Mr. Richard Mincey

22624

# EXHIBIT

MAY 25 1981 NO. 9

PROPOSED REGULATIONS

STATE BUDGET & CONTROL BOARD

STATE FIRE COMMISSION

STATUTORY AUTHORITY: §23-8-30,  
CODE OF LAWS, SOUTH CAROLINA,  
1976, AS AMENDED

## CHAPTER 19

STATE BUDGET AND CONTROL BOARD

### ARTICLE 3 STATE FIRE MARSHAL

- SUBARTICLE 1. Fire Prevention and Life Safety - Buildings
- SUBARTICLE 2. Use of Hazardous Substances
- SUBARTICLE 3. Tents, Grandstands and Air-Supported Structures

#### SUBARTICLE 1 FIRE PREVENTION AND LIFE SAFETY - BUILDINGS

##### REGULATION

- 19-20. Purpose and Definition.
- 19-21. Application as to Construction, Installation, Alterations and Repairs.
- 19-22. Occupancy.
- 19-23. Effect.
- 19-24. Exemptions.
- 19-25. Enforcements.
- 19-26. Plans and Specifications to be Submitted.
- 19-27. Existing Buildings.
- 19-28. Fire Prevention and Safety Standards for Construction, Occupancy, and Use, Standard Building Code - Adoption of.
- 19-29. Fire and Life Safety Standards, National Fire Prevention Association (NFPA) 101, Life Safety Code - Adoption of.
- 19-30. Safety Information to be Posted in Hotels, Motels, Apartments, Dormitories and Short-term Rental Units.
- 19-31. Installation of Electrical Equipment and Systems.
- 19-32. Alarm Systems.
- 19-33. Alternate Materials and Alternate Methods of Construction.
- 19-34. Adjustments and Appeals.
- 19-35. Reporting System.

22625

REGULATION

19-20. Purpose and Definitions.

(a) These Rules and Regulations are for the purpose of safeguarding, to a reasonable degree, life and property from fire and other hazards incident to the construction, alterations, repair, use and occupancy of buildings, structures, or premises. These Rules and Regulations shall be the minimum standards required by the State Fire Marshal for fire prevention and life safety in all buildings and structures to which they apply, except when they conflict with any existing State Statutes.

(b) "Fire Control" means all activities to control hostile fires.

(c) "Fire Prevention" means any activity to prevent fire before fire occurs.

19-28. Fire Prevention and Safety Standards for Construction, Occupancy, and Use, Standard Building Code -- Adoption.

Minimum standards for fire prevention and safety protection in construction, occupancy and use of all buildings and structures regulated by these Rules and Regulations shall be the following chapters of the 1979 Edition of the Standard Building Code, including the 1980 amendments thereto.

CHAPTER II - DEFINITIONS

CHAPTER IV - CLASSIFICATION OF BUILDING BY OCCUPANCY

Amendment: 409.1. Scope. Amend paragraph (c) to read:

(c) Buildings in which more than ten (10) people are accommodated for charitable or other care or treatment and buildings in which two (2) or more nonrelated persons are harbored over a



period exceeding twenty-four (24) hours for care or treatment shall be classified as Institutional -- Unrestrained, Institutional -- Unrestrained shall include, among others, the following: Hospitals, Sanitariums, Orphanages, Homes for the Aged, Nursing Homes, and Mental Institutions (Unrestrained).

CHAPTER V - SPECIAL OCCUPANCY REQUIREMENTS

Amend: Section 508 - Accessibility for the Physically Disabled and/or Handicapped is hereby deleted and does not constitute a part of the code which is adopted by reference herein.

CHAPTER VI - CLASSIFICATION OF BUILDING BY CONSTRUCTION

CHAPTER VII - FIRE PROTECTION REQUIREMENTS

CHAPTER VIII - APPURTENANCE REQUIREMENTS

CHAPTER IX - SPRINKLERS AND STANDPIPES

CHAPTER X - FIRE RESISTANCE STANDARDS FOR MATERIALS AND CONSTRUCTION, Including Appendix B

CHAPTER XI - MEANS OF EGRESS REQUIREMENTS (Exits and Exits Access)

19-29. Fire and Life Safety Standards, National Fire Protection Association 101, Life Safety Code - Adoption.

The provisions of the 1980 Edition of the National Fire Protection Association (NFPA) 101, Life Safety Code, shall provide supplemental fire and life safety requirements for public safety. Regulation 19-29 is intended to be in addition to an complementary with other Rules and Regulations of the State Fire Marshal.

19-30. Safety Information to be Posted in Hotels, Motels,

Apartments, Dormitories and Short-term Rental Units.

This Regulation shall apply to every Hotel, Motel, Dormitory and all Short-Term Rental Units (rental units on a daily, weekly or monthly basis) which come within this Regulation.

1. Every Apartment building three (3) or more stories in height that comes within this Regulation. Provided, however, that nothing herein shall apply to Condominiums or individually owned residential units within any of the aforesaid buildings, which are not used as defined in Short-Term Rental.

2. Every sleeping room, meeting room and other rooms open to the public, that are located in any Hotel, Motel, Apartment Building or Dormitory subject to this Regulation, shall contain the following information posted in the manner and size described herein:

#### SAFETY TIPS

1. Never smoke in bed.
2. Locate exits on this floor.
3. Count the number of doors to the nearest exit.
4. Check windows to see if and how they open.
5. Keep room key on table next to bed. (Or when applicable "Always keep your key in the same location.")
6. If you leave your room (or "apartment" when applicable), keep door closed and take your key.

#### IN CASE OF FIRE

1. DON'T PANIC; remain calm.
2. Report fire to front desk (or "manager" or "fire

department" if appropriate.

3. If room is smokey, get on hands and knees (or stomach) and crawl to door.
4. Feel door knob; if HOT, do NOT open door; if cool, open slowly.
5. If hallway is smokey, stay next to wall and crawl to exit.
6. Do NOT use elevator.
7. Do NOT prop doors to exit staircase open.
8. Hang onto handrail and walk DOWN exit staircase. If heavy smoke is encountered, turn around and walk UP to roof. DON'T let go of handrail.

IF YOU CANNOT LEAVE THIS ROOM

1. Call front desk (or "manager" if appropriate) and let them know where you are.
2. Wet sheets and towels and stuff them in all cracks around doors and vents.
3. If available, turn on bathroom fan.
4. Check to see if smoke is OUTSIDE window; if NO smoke, open window.
5. Fill bathtub with cold water for fire fighting.
6. Using ice bucket, keep doors and walls wet.
7. Fold a wet towel in a triangle and tie over your nose and mouth; stay low.
8. If possible, hang a sheet out your window and make yourself visible to rescue personnel; DO NOT JUMP!
9. Keep firefighting until help arrives; DON'T GIVE UP!



FOR YOUR SAFETY, THIS BUILDING HAS THE FOLLOWING:

(List all of the following items that are applicable.)

1. Automatic sprinkler protection in every room.
2. Automatic sprinkler protection in every hallway.
3. Automatic smoke detectors in every room.
4. Automatic smoke detectors in every hallway.
5. Fire extinguishers on every floor.
6. Fire alarm pull stations at every exit.
7. Posted evacuation plans in every room.
8. Pressurized staircase with self-closing doors.  
(NOTE: In case of fire, do NOT prop doors open.)
9. Fire safe staircase with self-closing doors.  
(NOTE: In case of fire, do NOT prop doors open.)
10. Emergency lighting and exit lights.
11. Fire resistant drapery and bedding.

3. The information required in Paragraph 2 herein shall be contained on a placard or decal, at least 8-1/2" x 14" in size, and shall be prominently affixed on the inside of every exit door contained in aforesaid rooms. When affixed, said placards or decals shall be unobstructed by curtains, shades or other material.

4. The textual information required in Paragraph 2 herein shall be legibly printed in a minimum of twelve point leaded one point type. The headings contained therein shall be legibly printed in a minimum of 48 point type.

5. In addition to the information required to be posted above, a placard or decal shall be affixed or placed on the counter or other prominent location of the rental office of all motels,

hotels, apartments, dormitories and short-term rental units with the following information thereon:

FOR YOUR SAFETY, THIS BUILDING HAS THE FOLLOWING:

1. Automatic sprinkler protection in every room.
2. Automatic sprinkler protection in every hallway.
3. Automatic smoke detectors in every room.
4. Automatic smoke detectors in every hallway.
5. Fire extinguishers on every floor.
6. Fire alarm pull stations at every exit.
7. Posted evacuation plans in every room.
8. Pressurized staircase with self-closing doors  
(NOTE: In case of fire, do NOT prop doors open.)
9. Fire safety staircase with self-closing doors  
(NOTE: In case of fire, do NOT prop doors open.)
10. Emergency lighting and exit lights.
11. Fire resistant drapery and bedding.

(List all of the preceding items that are applicable.)

This placard or decal shall be legibly printed in a minimum of 48 point type and unobstructed.

If such rental office is not applicable to structures that come within this Regulation, an appropriate listing of the above noted safety features shall be brought to the attention of the person or persons renting the unit, prior to its rental.

#### 19-31. Installation of Electrical Equipment and Systems.

The provisions of the 1980 Edition of the National Electrical Code shall constitute the minimum general standards covering fire

prevention and life protection of persons and property from hazards from the use of electricity.

19-32. Alarm Systems.

(Formerly Rule 19-30.)

19-33. Alternate Materials and Alternate Methods of Construction.

(Formerly Rule 19-31.)

19-34. Adjustments and Appeals.

(Formerly Rule 19-32.)

19-35. Reporting System.

The local Fire Chief or his designee shall within a period of one calendar month of any fire furnish the State Fire Marshal with a written statement subscribed to by him of all the facts relating to its cause, its origin, the kind, the estimated value and ownership of the property damaged or destroyed, and such other information as is called for by the blank forms furnished by the State Fire Marshal.

## SUBARTICLE 2

### USE OF HAZARDOUS SUBSTANCES

#### REGULATION

- 19-40. Purpose
- 19-41. Scope.
- 19-42. Standard Fire Prevention Code.
- 19-43. Explosives.
- 19-44. Service Stations.

#### REGULATION

- 19-42. Standard Fire Prevention Code.



A. The provisions of the 1979 Edition of the Standard Fire Prevention Code including the 1980 amendments thereto shall constitute the minimum general standards covering the protection of life and property from the hazards of fire and explosion due to storage, use or handling of hazardous materials, substances and devices, and to provide for minimum hazards to life and property due to panic, exclusive of those hazards considered in building code regulations; provided that the following chapters are hereby deleted and do not constitute a part of the code which is adopted by reference herein:

CHAPTER I - GENERAL PROVISIONS

CHAPTER II - BOARD OF APPEALS AND ADJUSTMENTS

CHAPTER IV - PERMITS AND CERTIFICATES

CHAPTER XVII - FIREWORKS

CHAPTER XXV - LIQUIFIED PETROLEUM GAS

B. Regulation 19-42 is intended to be in addition to and complementary to other Regulations of the State Fire Marshal.

19-43. Explosives.

The construction of explosive storage magazines shall be of two (2) types, namely, Class I and Class II.

A. Class I Magazines.

(Same as (A) of former Rule 19-69.)

B. Class II Magazines.

(Same as (B) of former Rule 19-69.)

C. Storage of Explosives.

(Formerly Rule 19-70.)

- D. Use and Handling of Explosives.  
(Formerly Rule 19-71.)
- E. Transportation of Explosives.  
(Formerly Rule 19-72.)
- F. Explosives and Blasting Agents at Terminals.  
(Formerly Rule 19-73.)
- G. Permit for Use of Explosives.  
(Formerly Rule 19-74.)
- H. Permits for the Manufacture or Sale of Explosives.  
(Formerly Rule 19-75.)
- I. Penalties and Seizure of Explosives and Blasting Agents.  
(Formerly Rule 19-76.)

19-44. Service Stations.

(Formerly Rule 19-77.)

- B. Full Service Stations.  
(Formerly Rule 19-78.)
- C. Self Service Stations.  
(Formerly Rule 19-79.)
- D. Self Service Attendants Duties.  
(Formerly Rule 19-80.)
- E. Tank Vehicles.  
(Formerly Rule 19-81.)

SUBARTICLE 3

TENTS, GRANDSTANDS AND AIR-SUPPORTED STRUCTURES

REGULATION

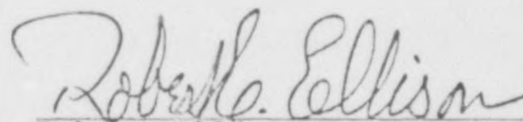
19-70. Standards.

19-71. Scope, Purpose, Definitions.

construction, location, protection and maintenance of reviewing stands, grandstands, and bleachers intended primarily to support persons for purposes of assembly for outdoor use. For the purpose of this section, certain terms, words, and phrases shall be construed as set forth in Section 503.2.

#### PUBLIC COMMENT OR HEARING

Members of the public shall have the right to submit oral and/or written comments concerning the herein proposed regulations at a public hearing to be held in Room 106, Gressette Senate Office Building, State House Grounds, on May 25, 1981, at 10:00 AM.

  
Robert Ellison  
Vice Chairman  
State Fire Commission



## REGULATION

### 19-70. Standards.

(a) The provisions of the National Fire Protection Association Standard No. 102-1972 shall constitute the minimum fire prevention and protection standards for the prevention of fire and for the protection of life in tents, folding and telescopic seating, and air-supported structures.

(b) The provisions of the Standard Building Code, 1979 Edition, Section 503, including the 1980 amendments thereto shall constitute the minimum fire prevention and protection standards for the prevention of fire and for the protection of life in grandstands.

### 19-71. Scope, Purpose and Definitions.

(a) National Fire Protection Association Standard No. 102-1972 is concerned with the hazards of fire, storm, collapse, and panic, and covers the construction, location, protection and maintenance of tents and air-supported structures used for assembly; interior folding or telescopic seating normally used in gymnasiums, multi-use rooms, and similar indoor mass seating as differentiated from grandstands and bleachers intended primarily to support persons for purposes of assembly for outdoor use. For the purpose of this standard, certain terms, words, and phrases shall be construed as set forth in Section 1.12 of the standard.

(b) The Standard Building Code, 1979 Edition, Section 503, including the 1980 amendments thereto are concerned with the hazards of fire, storm, collapse, and panic, and covers the

The State of South Carolina

MAY 21 1981



EXHIBIT

MAY 25 1981

NO. 9

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

C. HAVIRD JONES JR.  
ASSISTANT ATTORNEY GENERAL

WADE HAMPTON OFFICE BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S. C. 29211  
TELEPHONE 803-758-2081

DANIEL R. McLEOD  
ATTORNEY GENERAL

M E M O R A N D U M

TO: Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
FROM: Sonny Jones  
RE: Draft Letter Concerning Promulgated Regulations of State  
Fire Commission  
DATE: May 21, 1981

Per our conversation, attached please find two (2) draft copies of the letters from the Budget and Control Board to the Senate and House of Representatives in regards to the legislative review of the promulgated regulations of the State Fire Commission which are scheduled to be approved by the Budget and Control Board.

CHJjr/nm

22637

# EXHIBIT

MAY 25 1981 NO. 9

STATE BUDGET & CONTROL BOARD

Honorable Raymond Schwartz, Jr.  
Speaker, House of Representatives  
State House  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Mr. Speaker:

Enclosed please find promulgated regulations pursuant to §1-23-10, Code of Laws of South Carolina, 1976, as amended, of the State Fire Commission that have been approved by the Budget and Control Board per §23-8-30(G) of the amended Code. The State Budget and Control Board requests review of these regulations by the General Assembly pursuant to §1-23-120 of the amended Code.

Public notice of the promulgated regulations was filed with the Legislative Counsel and published in the State Register on April 24, 1981.

A public hearing was held on May 25, 1981, during which comment was invited.

If the members of the Board can answer any questions regarding these regulations, please feel free to contact any of us.

Very truly yours,

State Budget and Control Board

cc: Mr. Robert Heilman  
Legislative Counsel  
Post Office Box 11417  
Columbia, South Carolina 29211

22638



# EXHIBIT

MAY 25 1981 NO. 9

Honorable Ferdinanda B. Stevenson  
Lieutenant Governor - President  
Ex Officio  
South Carolina Senate  
Lieutenant Governor's Office  
State House  
Post Office Box 142  
Columbia, South Carolina 29202

STATE BUDGET & CONTROL BOARD

Dear Ms. Stevenson:

Enclosed please find promulgated regulations pursuant to §1-23-10, Code of Laws of South Carolina, 1976, as amended, of the State Fire Commission that have been approved by the Budget and Control Board per §23-8-30(G) of the amended Code. The State Budget and Control Board requests review of these regulations by the General Assembly pursuant to §1-23-120 of the amended Code.

Public notice of the promulgated regulations was filed with the Legislative Counsel and published in the State Register on April 24, 1981.

A public hearing was held on May 25, 1981, during which comment was invited.

If the members of the Board can answer any questions regarding these regulations, please feel free to contact any of us.

Very truly yours,

State Budget and Control Board

cc: Mr. Robert Heilman  
Legislative Counsel  
Post Office Box 11417  
Columbia, South Carolina 29211

22639

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 10

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

4

## STATE BUDGET & CONTROL BOARD

Agency: Finance Division (Engineering)

Subject: Establishment and Release of Permanent Improvement Projects

Now that Section 3 of Act 518 of 1980 has been deleted by action of the General Assembly, the several projects authorized in that Act are now unfrozen.

Staff is assuming that the current procedure which requires that any projects or additional funding involving \$250,000 or more would be acted upon by the Budget and Control Board itself and that any projects involving less than \$250,000 would be handled administratively by staff.

Therefore, the following projects are submitted for Board action:

- (1) University of South Carolina - Columbia, James F. Byrnes International Center (former Federal Building), \$1,800,000 capital improvement bond funds;
- (2) University of South Carolina - Columbia, College of Business Administration Addition, total estimated project cost \$9,072,000 (\$7,572,000 capital improvement bond funds, \$1,000,000 donated funds, and \$500,000 institution bond funds);
- (3) University of South Carolina - Columbia, replacement and/or expansion of computer system, \$2,500,000 capital improvement bond funds.

Board Action Requested:

Confirm staff assumption regarding processing of projects; approve establishment and release of the referenced projects.

Staff Comment:

Attachments:

22640

ID 21-023

Form E-1  
(Revised 7-1-81)  
Submit in Duplicate

## APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE April 30, 19 81Institution or Agency UNIVERSITY OF SOUTH CAROLINA - COLUMBIAName of Project James F. Byrnes International Center (former Federal Building)Total Estimated Cost - - - - - \$ 1,800,000

To:—State Budget and Control Board

Columbia, South Carolina

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

## I. JUSTIFICATION

(The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

## II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

Renovation of newly acquired building to make it adaptable for University programs  
and to bring all systems up to current standards

B. Intended Use: International Programs, Graduate Office, Research Office, Map Depository,  
etc.

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.
- (b) Outline specifications.
- (c) Small scale locality map.
- (d) Analysis of Architect's Preliminary Construction Estimate.

2. No. Square Feet: 88,1023. Principal Facilities (No. of stories, rooms, offices, etc.) 7 floors

EXHIBIT

MAY 25 1981 NO. 10

STATE BUDGET &amp; CONTROL BOARD

- D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.
- E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.
- F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.

22641



### III. ESTIMATED COST

Site - - - - -	\$	
Grading - - - - -		
Construction - - - - -		
Fees - - - - -		40,000
Renovation - (includes exterior construction) - - - - -		1,540,000
Basic Equipment and Supplies - - - - -		200,000
Landscaping - - - - -		
Builder's Risk Insurance - - - - -		
Other (Specify) <u>Bond Fees</u> - - - - -		3,600
Contingencies - - - - -		16,400
TOTAL ESTIMATED COST - - - - -	\$	1,800,000

It is further estimated that this project will add \$ (see attached) per year to operation and maintenance costs of this agency.

### IV. FINANCING PLAN

A. Funds already in Hand - - - - -	\$	
Source: _____		
B. Proposed Bond Issue - - - - -		1,800,000
(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).		
C. Other (describe) <u>1980 Act 518 Section 1, Item 8-2</u> - - - - -		
TOTAL - - - - -	\$	1,800,000

Has your governing board taken formal action authorizing the submission of this application?

(Signed)

James B. Holderman  
Title James B. Holderman, President

### BOARD'S ACTION

APPROVED: \_\_\_\_\_

State Auditor

DATE: \_\_\_\_\_

22642

# Addendum to Form A-1, Item 8B

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PERMANENT IMPROVEMENT PROJECT

(Please copy this Addendum form as needed. Submit completed, typed originals as attachments to original A-1 form.)

AGENCY/INSTITUTION UNIVERSITY OF SOUTH CAROLINA - COLUMBIA

NAME OF PROPOSED PROJECT James F. Byrnes International Center Priority      of     

PROGRAM International Activities - Graduate and Research Administration Form      of     

(Prepare one version of this form which shows the total impact of the proposed project on annual operating costs of the agency or institution without regard to programs. In addition, complete one of these forms to show the operating cost impact of the project on each program affected. Attach these forms to Form A-1.)

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PROJECT

FISCAL YEAR (Start with "1" if project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) 81-82	80,000		20,000	100,000	\$ ( )	\$ ( )	\$ ( )	\$ +	+
(2) 82-83	88,000		22,000	110,000	\$ ( )	\$ ( )	\$ ( )	\$ +	+
(3) 83-84	97,000		24,000	121,000	\$ ( )	\$ ( )	\$ ( )	\$ +	+
(4) 84-85	107,000		26,000	133,000	\$ ( )	\$ ( )	\$ ( )	\$ +	+
(5) 85-86	117,000		29,000	146,000	\$ ( )	\$ ( )	\$ ( )	\$ +	+
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\*Specify "Other" sources. Student fees

+Additional positions are anticipated, financed primarily by research projects - programs are still in initial stages.

22643

STATE BUDGET & CONTROL BOARD  
MAY 25 1981  
EXHIBIT NO. 10

REVISION OF PROJECT COST ESTIMATE

Date April 30 1981

Institution or Agency University of South Carolina - Columbia

Name of Project College of Business Administration Addition

No. H27-020

Treasurer's ID No. 99-024

To: State Budget and Control Board  
Columbia, South Carolina

\$2,000,000 11-002  
\$4,572,000 21-022

Your approval of the following revised cost estimate on the above project is requested.

A statement is attached indicating the necessity of these revisions. \*

Item	8-18-80 Last Estimate	Revised Estimate	Change
Site	\$	\$	\$
Grading			
Construction		7,000,000	+7,000,000
Fees	603,442	1,100,000	+ 496,558
Renovation			
Basic Equipment and Supplies carpet and seating		350,000	+ 350,000
Landscaping		20,000	+ 20,000
Builder's Risk Insurance		4,000	+ 4,000
Other Bond Fees .2%		16,000	+ 16,000
Contingencies		586,000	+ 586,000
Total Estimated Cost	\$ 603,442	\$ 9,072,000	\$ +8,468,588

**EXHIBIT**

MAY 25 1981

NO. 10

STATE BUDGET & CONTROL BOARD

(Signed)

James B. Holderman, President

\* If the total estimated cost of the project has been increased, the source of the additional funds required should be indicated also.

APPROVED:

State Auditor

DATE:

22644



USC - COLUMBIA

College of Business Administration Addition

H27-020      Treas. ID 99-024

Source of Funds	8-18-80 <u>Last Est.</u>	<u>Rev. Est.</u>
<u>State Capital Funds</u>		
ID 24-022      1980 Act 518	-	\$4,572,000
Section 1, Item 8-1		
1974 Act 1295	-	3,000,000
<u>Donated Funds</u>	\$603,442	1,000,000
<u>State Institution Bonds</u>	-	<u>500,000</u>
	\$603,442	\$9,072,000

EXHIBIT

MAY 2 1981

STATE ARCHIVE & CONTROL SERVICE

22644-A

# Addendum to Form A-1, Item 8B

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PERMANENT IMPROVEMENT PROJECT

(Please copy this Addendum form as needed. Submit completed, typed originals as attachments to original A-1 form.)

AGENCY/INSTITUTION University of South Carolina - Columbia

NAME OF PROPOSED PROJECT College of Business Administration Addition Priority      of     

PROGRAM Business Academic and Research Form      of     

(Prepare one version of this form which shows the total impact of the proposed project on annual operating costs of the agency or institution without regard to programs. In addition, complete one of these forms to show the operating cost impact of the project on each program affected. Attach these forms to Form A-1.)

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS ** Projected Financing Sources				PERSONAL SERVICE COSTS ONLY Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) 82-83	160,000		40,000	200,000	\$ ( )	\$ ( )	\$ ( )	\$ 400,000	20+
(2) 83-84	176,000		44,000	220,000	\$ ( )	\$ ( )	\$ ( )	\$ 400,000	20+
(3) 84-85	194,000		48,000	242,000	\$ ( )	\$ ( )	\$ ( )	\$ 400,000	20+
(4) 85-86	203,000		53,000	256,000	\$ ( )	\$ ( )	\$ ( )	\$ 400,000	20+
(5) 86-87	224,000		58,000	282,000	\$ ( )	\$ ( )	\$ ( )	\$ 400,000	20+
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\*Specify "Other" sources. Student Fees.

\*\*Includes custodial

+Number of additional faculty authorized by formula

STATE BUDGET & CONTROL BOARD

MAY 25 1981

NO. 10

EXHIBIT

22645

ID 21-024

Form E-1  
(Revised 7-1-61)  
Submit in Duplicate

## APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE April 30, 19 81

Institution or Agency UNIVERSITY OF SOUTH CAROLINA - COLUMBIA

Name of Project Replacement and/or Expansion of Computer System

Total Estimated Cost - - - - - \$ 2,500,000

To: State Budget and Control Board

Columbia, South Carolina

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

## I. JUSTIFICATION

The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

## II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

New computer equipment

B. Intended Use: Meet increased computer demands

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.
- (b) Outline specifications.
- (c) Small scale locality map.
- (d) Analysis of Architect's Preliminary Construction Estimate.

2. No. Square Feet:

a. Principal Facilities (No. of stories, rooms, offices, etc.)

## EXHIBIT

MAY 25 1981 NO. 10

STATE BUDGET &amp; CONTROL BOARD

- D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.
- E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.
- F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.

22646



### III. ESTIMATED COST

Site	\$
Grading	
Construction	
Fees	
Renovation	
Basic Equipment and Supplies	2,500,000
Landscaping	
Builder's Risk Insurance	
Other (Specify)	
Contingencies	
TOTAL ESTIMATED COST	\$ 2,500,000

It is further estimated that this project will add \$ (see attached) per year to operation and maintenance costs of this agency.

### IV. FINANCING PLAN

A. Funds already in Hand	\$
Source:	
B. Proposed Bond Issue	2,500,000
(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).	
C. Other (describe)	1980 Act 518 Section 1 Item 8-3
TOTAL	\$ 2,500,000

Has your governing board taken formal action authorizing the submission of this application?

(Signed)

*James B. Holderman*  
James B. Holderman, President

BOARD'S ACTION

APPROVED:

State Auditor

DATE:

22647

MAY 25 1981

NO. 10

## EXHIBIT

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PERMANENT IMPROVEMENT PROJECT

(Please copy this Addendum form as needed. Submit completed, typed originals as attachments to original A-1 form.)

AGENCY/INSTITUTION UNIVERSITY OF SOUTH CAROLINA - COLUMBIANAME OF PROPOSED PROJECT Replacement and/or expansion of Computer System Priority      of     PROGRAM Computer Service to University and other agencies Form      of     

(Prepare one version of this form which shows the total impact of the proposed project on annual operating costs of the agency or institution without regard to programs. In addition, complete one of these forms to show the operating cost impact of the project on each program affected. Attach these forms to Form A-1.)

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1)				0	\$ ( )	\$ ( )	\$ ( )	\$	0
(2)				0	\$ ( )	\$ ( )	\$ ( )	\$	0
(3)				0	\$ ( )	\$ ( )	\$ ( )	\$	0
(4)				0	\$ ( )	\$ ( )	\$ ( )	\$	0
(5)				0	\$ ( )	\$ ( )	\$ ( )	\$	0
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\*Specify "Other" sources.

Note: Power requirements may be somewhat increased

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 11

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

**5**

STATE BUDGET & CONTROL BOARD

---

Agency: Finance Division (Engineering)

---

Subject: Establishment and Release of Permanent Improvement Projects

Please refer to attachments for details.

---

Board Action Requested:

Approve the establishment and release of 10 permanent improvement projects for the Ports Authority as shown on Summaries 28-81 and 40-81.

---

Staff Comment:

---

Attachments:

Summaries 28-81 and 40-81

**22649**





MAY 18 1981

House of Representatives - State of South Carolina

EXHIBIT

Charles E. Hodges  
District No. 104-Horry County  
4307 Broad Street  
Loris, S.C. 29569

MAY 25 1981

NO. 11

228 Blatt Building  
Columbia, S.C. 29211

STATE BUDGET & CONTROL BOARD

Tel. (803) 758-8316

Committees:

Ways and Means  
Capital Improvements Bond Review Committee - Chairman  
S.C. Committee on Tourism and Trade - Chairman  
Public Transportation Study - Vice Chairman  
State Reorganization Commission - Chairman  
Majority Leader

May 18, 1981

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
212 Wade Hampton Bldg.  
Columbia, South Carolina 29201

In Re: S28-81; State Ports Authority

Dear Mr. McInnis:

Transmitted herewith is Summary #28-81 indicating the Joint Bond Review Committee's approval, at the meeting held May 16, of the four projects proposed by the State Ports Authority.

With kind regards,

Sincerely,

*Charles E. Hodges*  
Charles E. Hodges, Chairman  
Joint Bond Review Committee

CEH:lc

Enc. - S28-81

22650

RECEIVED JAN 7 1981

SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 1/7/81.

NUMBER  
28-81

Date

Page 1 of 1

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
1. WILDLIFE AND MARINE RESOURCES	Revise budget (decrease) to \$527,327.62	Deduct \$72,672.38 Federal Funds	P24-050	Mountain Bridge Project - Watson Property - To close project. These funds will remain with PRT, the agency which provided the original federal funding.	JBR COMMITTEE APPROVED 2/10/81	
Supporting document pp. 1						
2. STATE PORTS AUTHORITY	(a) Establish source of funds	\$50,000 Operating Funds of the State Ports Authority	Not yet assigned	Stevedore Gearshed Addition - Pier 2 (Charleston) - To construct a one-story pre-engineered building for lease to stevedoring company.	CARRIED OVER 2/10/81 JBR COMMITTEE APPROVED 5/16/81	
Supporting document pp. 2,3						
	(b) Revise budget (increase) to \$4,975,000	Add \$2,225,000 Capital Improvement Bond funds, Act 646 of 1978 (from 2d below)	Y14-007	Design and Construct Access Roads - Wando River Terminal - To purchase access road right-of-way. To cover A&E fees, and construction and contingen- cies funds.	CARRIED OVER 2/10/81 JBR COMMITTEE APPROVED 5/16/81	
Supporting document pp. 4						
	(c) Revise budget (increase) to \$4,500,000	Add \$700,000 Capital Improvement Bond funds, Act 646 of 1978 (from 2d below)	Y14-011	Design and Construct Service Buildings - Wando River Terminal - Phase A - To provide additional funding for construction and A&E fees.	CARRIED OVER 2/10/81 JBR COMMITTEE APPROVED 5/16/81	
Supporting document pp. 5						
	(d) Revise budget (decrease) to \$233,500	Deduct \$2,925,000 Capital Improvement Bond funds, Act 646 of 1978 (to 2b and 2c above)	Y14-013	Design and Construct Rail Ferry System - Wando River Terminal - This project is to be deferred to Phase B in order to fund items 1b and 1c above. Funds to replace this reduction are to be obtained from a planned issue of S. C. Ports Authority Revenue Bonds.	CARRIED OVER 2/10/81 JBR COMMITTEE APPROVED 5/16/81	
Supporting document pp. 6						

MAY 25 1981  
STATE BUDGET & CONTROL BOARD  
NO. 11

EXHIBIT

22651



MAY 18 1981

# House of Representatives - State of South Carolina

Charles E. Hodges

District No. 104-Horry County  
4307 Broad Street  
Loris, S.C. 29569

228 Blatt Building  
Columbia, S.C. 29211

Tel. (803) 758-8316

**Committees:**

Ways and Means  
Capital Improvements Bond Review Committee - Chairman  
S.C. Committee on Tourism and Trade - Chairman  
Public Transportation Study - Vice Chairman  
State Reorganization Commission - Chairman  
Majority Leader

May 18, 1981

## EXHIBIT

MAY 25 1981 NO. 11

STATE BUDGET & CONTROL BOARD

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

In Re: S40-81; State Ports Authority

Dear Mr. McInnis:

Transmitted herewith is Summary #40-81 indicating the Joint Bond Review Committee's approval, at the meeting held May 16, of the six projects proposed by the State Ports Authority.

With kind regards,

Sincerely,

Charles E. Hodges, Chairman  
Joint Bond Review Committee

CEH:lc

Enc. - S40-81

22652



# SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 2/9/81

Date

Page 1 of 1

5/16/81  
40-1

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE DIVISION
STATE PORTS AUTHORITY	(a) Revise budget (increase) to \$1,050,000	Add \$500,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-005	Master Plan - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 3					
	(b) Revise budget (increase) to \$14,000,000	Add \$9,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-006	Phase A Terminal and Access Road, Drainage, Landscaping - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 4					
	(c) Revise budget (increase) to \$3,000,000	Add \$1,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-009	Phase A Terminal Internal Electrical Distribution System and External System for Project - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 5					
	(d) Revise budget (increase) to \$7,000,000	Add \$2,500,000 Ports Authority Revenue Bond Anticipation Note Proceeds (See also item 2(c) on Summary 28-81)	Y14-011	Phase A Terminal Service Buildings - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 6					
	(e) Revise budget (increase) to \$8,233,500	Add \$8,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds (See also item 2(d) on Summary 28-81)	Y14-013	Rail Ferry System - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 7					
	(f) Revise budget (increase) to \$9,692,500	Add \$3,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds. Add \$322,500 Ports Authority Operating Funds	Y14-014	Dredging for Berths 1, 2, 3 & 4 - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 8					

STATE BUDGET & CONTROL BOARD

MAY 25 1981 NO. 11

EXHIBIT

22653

# SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 2/9/81

Date

Page 1 of 1

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE ACTION
STATE PORTS AUTHORITY	(a) Revise budget (increase) to \$1,050,000	Add \$500,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-005	Master Plan - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 3					
	(b) Revise budget (increase) to \$14,000,000	Add \$9,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-006	Phase A Terminal and Access Road, Drainage, Landscaping - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 4					
	(c) Revise budget (increase) to \$3,000,000	Add \$1,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds	Y14-009	Phase A Terminal Internal Electrical Distribution System and External System for Project - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 5					
	(d) Revise budget (increase) to \$7,000,000	Add \$2,500,000 Ports Authority Revenue Bond Anticipation Note Proceeds (See also item 2(c) on Summary 28-81)	Y14-011	Phase A Terminal Service Buildings - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 6					
	(e) Revise budget (increase) to \$8,233,500	Add \$8,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds (See also item 2(d) on Summary 28-81)	Y14-013	Rail Ferry System - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 7					
	(f) Revise budget (increase) to \$9,692,500	Add \$3,000,000 Ports Authority Revenue Bond Anticipation Note Proceeds. Add \$322,500 Ports Authority Operating Fund	Y14-014	Dredging for Berths 1, 2, 3 & 4 - To provide additional funding for project. Funds needed as a result of delays which brought about cost increases due to inflation.	JBR COMMITTEE APPROVED 5/16/81
Supporting document page 8					

STATE BUDGET & CONTROL BOARD

MAY 25 1981 NO. 11

EXHIBIT

22653

# EXHIBIT

SUPPLEMENTAL

STATE BUDGET AND CONTROL BOARD

MAY 25 1981

NO. 11

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

ITEM NUMBER

**5A**

STATE BUDGET & CONTROL BOARD

Agency: Finance Division (Engineering)

Subject: Establishment and Release of Permanent Improvement Projects

The following projects have been reviewed by the Joint Bond Review Committee and are presented for Budget and Control Board action:

- (a) Summary 5-81, Department of Mental Health, Thompson Building - Demolition - Deduct \$1,113,600 to revise budget to \$111,400;
- (b) Summary 59-81, item 2b, Budget and Control Board, General Services, Renovation - J. Marion Sims Building, Add \$393,484 to revise budget to \$993,484;
- (c) Summary 39-81, item 5, Parks, Recreation and Tourism, Hunting Island Beach Erosion Control, Add \$400,000 to revise budget to \$1,562,000;
- (d) Summary 43-81, item 5, Parks, Recreation and Tourism, Dreher Island State Park, Add \$385,000 of 1979 Capital Improvement Bond Funds and \$342,000 Federal Funds; and item 6, USC - Lancaster, Health, Community and Physical Education Building, deduct \$260,000 Institution Bond Funds and add \$409,169 from pledges and interest;
- (e) Summary 49-81, item 3, S. C. State College, Lewis Laboratory, Addition and Renovation, use of \$850,000 Surplus Institution Bond Debt Service Funds.

Board Action Requested:

Approve the establishment and release of the referenced projects.

Staff Comment:

Attachments:

Summaries 4-81, 59-81, 39-81, 43-81, and 49-81.

**22654**



Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 5/3/81 43-81

Date

Page 2 of 3

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
3. FRANCIS MARION COLLEGE  Supporting document pp. 15-17	✓ Revise budget (increase) to \$3,301,932.52	Add \$5,196.33 Excess Institution Bond Debt Service	H18-001	Art, Drama, Music, Speech Building - To provide for purchase of planting materials for landscaping	JBR COMMITTEE APPROVED 5/16/81	
4. HEALTH & ENVIRONMENTAL CONTROL (a)  Supporting document pp. 18-20	✓ Establish project and source of funding	\$5,000 Federal Funds	Not yet assigned	Renovation to Florence Crippled Children's Clinic - To construct ramp, in accordance with Section 504, and a parking lot so that clinic can be moved to a double wide trailer	JBR COMMITTEE APPROVED 5/16/81	
(b)  Supporting document pp. 21	Revise budget (decrease) to \$19,765	Deduct \$235 Federal Funds	J04-010	Renovation and Establishment of MCC Clinic in Charleston - To award contract to the Drews Company	JBR COMMITTEE APPROVED PER POLL 3/5/81	
5. PARKS, RECREATION AND TOURISM  Supporting document pp. 22	✓ Revise budget (increase) to \$2,894,110	Add \$727,500 Capital Improvement Bonds, Act 194 of 1979, \$385,000 HCBS - Federal Funds, \$342,500	40-60	Dreher Island State Park Site Work - To construct roads, site utilities, and cabins as a continuation of the master plan for this park.	JBR COMMITTEE APPROVED 5/16/81	
6. UNIVERSITY OF SOUTH CAROLINA LANCASTER  Supporting document pp. 23-33	✓ Revise budget (increase) to \$3,034,169	Deduct \$260,000 Institution Bond Funds Add \$409,169 from the following sources: (1) Lancaster County pledges (a) received, \$110,000 (b) to be received, \$150,000 (2) Interest on Lancaster Foundation (a) received, \$26,086 (b) to be received, \$25,000 (3) Private pledges, \$98,083	H27-018	Health, Community and Physical Education Building - To cover work on the interior of the building (i.e., indoor running tracks and handball courts) which was deferred when the original bids were awarded due to lack of funds	JBR COMMITTEE APPROVED 5/16/81	

STATE BUDGET & CONTROL BOARD

MAY 25 1981 NO. 11

EXHIBIT

22655

SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 3/19/81.

NUMBER

49-81

Date

Page 1 of 2

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
1. CLEMSON (PUBLIC SERVICE ACTIVITIES)	Revise budget (increase) to \$52,000	Add \$32,000 Land and Timber Settle- ment Account	H12-049	Horizontal Silo for Edisto Station - To reflect increased construction costs; construction by agency forces	JBR COMMITTEE CARRIED OVER 5/16/81	
Supporting document page 1						
2. FRANCIS MARION COLLEGE	(a) Revise budget (increase) to \$288,000	Add \$10,000 Transfer from H18-008	H18-005	Cafeteria Expansion and Campus Development - To provide for brick panel replacement	JBR COMMITTEE APPROVED 5/16/81	
Supporting document pages 2-3						
	(b) Revise budget (decrease) to \$276,700	Deduct \$10,000 Transfer to H18-005	H18-008	Brick Panels on Smith College Center	JBR COMMITTEE APPROVED 5/16/81	
Supporting document page 4						
3. S. C. STATE COLLEGE	✓ Establish project and source of funds	\$850,000 Institution Bonds	Not yet assigned	Lewis Laboratory Addition and Renovation - To con- struct a two-story addition to provide space for study of environmental and pollution control problems and construction and manufacturing	JBR COMMITTEE APPROVED 5/16/81	
Supporting document pages 5-6						
4. USC - AIKEN	To establish project and source of funds	\$69,000 Institution (Tuition) Bond Debt Service Funds	Not yet assigned	Library Addition - To provide for employment of an architect for planning purposes	JBR COMMITTEE CARRIED OVER 5/16/81	
Supporting document pages 7-9						

STATE BUDGET & CONTROL BOARD  
MAY 25 1981  
NO. 11

EXHIBIT

22650

# EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF May 25, 1981

**MAY 25 1981**

**NO. 12**

ITEM NUMBER 6

---

## STATE BUDGET & CONTROL BOARD

---

Agency: Medical University of South Carolina

Subject: Blanket Bond for Security Personnel

Please refer to attachments for details.

---

Board Action Requested:

Approve

---

Staff Comment:

---

Attachments:

Wise April 17 letter to Putnam plus attachments

22657 ;



OFFICE OF THE VICE PRESIDENT FOR  
ADMINISTRATION AND FINANCE  
(803) 792-4291

EXHIBIT

MAY 25 1981

NO. 12

STATE BUDGET & CONTROL BOARD



Medical University of South Carolina

171 ASHLEY AVENUE / CHARLESTON, SOUTH CAROLINA 29403

April 17, 1981

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Dear Mr. Putnam:

Please find enclosed a blanket bond for security personnel as well as a rider listing those positions specifically insured as individuals employed by the Medical University of South Carolina.

Mr. Jack Bryan of the Attorney General's Office has advised us that this bond should be approved by the Budget and Control Board and then forwarded to the Attorney General's Office for approval as to form and execution.

Your assistance in this matter will be greatly appreciated.

Sincerely yours,

John E. Wise  
Acting Vice President  
for Administration

JW:an

Enclosure

cc: Mr. George Pretty  
Mr. Robert Fox

RECEIVED

MAY 08 1981

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

22658

OFFICE OF THE VICE PRESIDENT FOR  
ADMINISTRATION AND FINANCE  
(803) 792-4291

EXHIBIT

MAY 25 1981

NO. 12



STATE BUDGET & CONTROL BOARD

171 ASHLEY AVENUE / CHARLESTON, SOUTH CAROLINA 29403

April 17, 1981

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Dear Mr. Putnam:

Please find enclosed a blanket bond for security personnel as well as a rider listing those positions specifically insured as individuals employed by the Medical University of South Carolina.

Mr. Jack Bryan of the Attorney General's Office has advised us that this bond should be approved by the Budget and Control Board and then forwarded to the Attorney General's Office for approval as to form and execution.

Your assistance in this matter will be greatly appreciated.

Sincerely yours,

John E. Wise  
Acting Vice President  
for Administration

JW:an

Enclosure

cc: Mr. George Pretty  
Mr. Robert Fox

RECEIVED

MAY 08 1981

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

22659



INSURANCE COMPANY OF NORTH AMERICA  
PHILADELPHIA, PENNSYLVANIA

COMPREHENSIVE CRIME POLICY  
For Public Bodies  
Edition of August, 1974

DECLARATIONS

1. NAMED INSURED (Herein called Insured) Principal Address  
State of South Carolina  
Medical University of South Carolina

PDD JO 02 18 17 0

	Payable
1-20-81	\$364.
1-20-82	364.
1-20-83	364.

2. Policy Period: from the beginning of January 20 1981  
(MONTH) (DAY) (YEAR)  
to 12 o'clock night on the effective date of the cancellation or termination of this Policy, at the Principal Address as to each of said dates.

3. Table of Limits of Liability

Insuring Agreements	Limit of Liability
IA Honesty Blanket Bond Coverage . . . . .	\$ Not Covered
IB Honesty Blanket Position Bond Coverage . . . . .	\$ Not Covered
IC Faithful Performance Blanket Bond Coverage . . . . .	\$ Not Covered
ID Faithful Performance Blanket Position Bond Coverage . . . . .	\$ 2,000.
II Loss Inside the Premises Coverage . . . . .	\$ Not Covered
III Loss Outside the Premises Coverage . . . . .	\$ Not Covered
IV Money Orders and Counterfeit Paper Currency Coverage . . . . .	\$ Not Covered
V Depositors Forgery Coverage . . . . .	\$ Not Covered
If added by endorsement:	

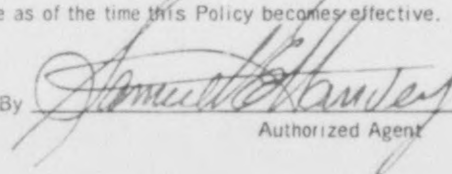
4. The liability of the Company is subject to the terms of the following riders or endorsements attached hereto:

See Schedule of Rider/Endorsements

5. The Insured by the acceptance of this Policy gives notice to the Company terminating or canceling prior bond(s) or policy(ies) No.(s) such termination or cancellation to be effective as of the time this Policy becomes effective.

Issued at 1-14-81 dgr

By



Authorized Agent

22660



**INA**

**EXHIBIT**

**MAY 25 1981 NO. 12**

**Schedule of Rider Endorsement STATE BUDGET & CONTROL BOARD**

Named Insured State of South Carolina

Effective date of rider/endorsement: From 12:01 a.m. on 1-20-81

To be attached to and form part of Blanket Bond or Policy, No. PDD JO 02 18 17 0

It is agreed that:

BF-7E01-Extortion Exclusion

BF-6A35-Legal Fees Exclusion

BF-7E00-Inventory Computation Loss Excl.

BF-6A96-Effective Time

Countersigned By

*Samuel E. Huse*

Authorized Agent

**22661**

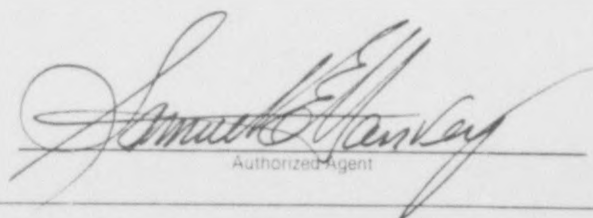


Named Insured			Endorsement/Rider Number
State of South Carolina-Medical University of S. C.			
Policy/Symbol Bond	Policy/Bond No.	Policy/Bond Period	Effective Date of Endorsement/Rider
PDD	02 18 17	1/20/81 to 1/20/84	1/20/81
Issued By (Name of Insurance Company)			
Insurance Company of North America			

It is specifically agreed that:

The herein mentioned bond covers only those individuals employed by the Insured and required by statute to be bonded to serve in the following positions:

1. State Constables
2. Chief(s) of Public Safety
3. Deputy(s) of Public Safety
4. Lieutenant(s) of Public Safety
5. Sergeant(s) of Public Safety
6. Public Safety Officers
7. Staff Assistants of Department of Safety

  
Authorized Agent

# EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

## AGENDA

BUDGET AND CONTROL BOARD MEETING  
MAY 25, 1981

- I. INTRODUCTION (Vaughn)
  - A. Purpose
  - B. Revenue Projection, Spending Limitation, 27th Payroll
  
- II. THE FEDERAL OUTLOOK (Oliver)
  - A. Overview - Block Grants Concept, Reduction Concept
  - B. Specifics of Reductions - Agency/Program Impact
  - C. State Administration Requirements and Issues
  
- III. THE STATE BUDGET OUTLOOK (Cantrell, Griswold)
  - A. Major Budget Issues/Precommitments
  - B. State Personnel Presentation (Mullins)
  
- IV. SUMMARY (Vaughn)
  - A. Fiscal State of the State
  - B. Legislative Intent as it Relates to the Budget Process

## LUNCH AND REGULAR BUSINESS SESSION

- V. STATE GOALS & OBJECTIVES - FY 1982-83 BUDGET (Putnam)
  - A. Need for Decision Making Criteria
  - B. Overview of Proposed State Goals and Objectives
  
- VI. ESTABLISHMENT OF FY 1982-83 BUDGET CRITERIA OR PRIORITIES (Governor)
  
- VII. CONCLUSION/SUMMARY (Coles)

22663



ATTENDEES AT MAY 25, 1981 BUDGET AND CONTROL BOARD MEETING

	Sunday		Monday	
	Dinner	Overnight	Breakfast	Lunch
Governor Riley				X
Mr. Patterson				X
Mr. Morris	X	X	X	X
Senator Dennis, 250-62-4644				X
Representative Mangum, 249-10-4604				X
Kitty Clarke				X
Bill Prince				X
Steve Hooks				X
Don Hinson				X
Terry Peterson				X
W. T. Putnam		X	X	X
William A. McInnis, 267-34-1065		X	X	X
Donna Williams, 247-82-9366			X	X
Bill Jordan	X	X	X	X
Jon Nason				X
Marian Laney				X
Ed Vaughn	X	X	X	X
Jesse Coles	X	X	X	X
Preston Cantrell	X	X	X	X
Sam Griswold	X	X	X	X
George Oliver	X	X	X	X
Phil Latham	X	X	X	X
Al Loftis	X	X	X	X
George Dorn	X	X	X	X
Curtis Holt	X	X	X	X
Elmer Whitten			X	X
James Kirk			X	X
Jack S. Mullins				X
Tom Lucht				X
Allan Spence				X
Ernie Cooler	X	X	X	X
Clyde Nichols	X	X	X	X
Mike Copeland			X	X

EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

22664

# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## PURPOSE

REVENUE ESTIMATE

STATUTORY LIMITATION ON EXPENDITURES AND POSITIONS

27 TH PAYROLL

FEDERAL FUNDS REDUCTION

MAJOR STATUTORY COMMITMENTS (EFA, ETC.)

STATE PERSONNEL

SUMMARY

22665

# EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

## TOTAL ESTIMATED REVENUE

FY 1982-83 (EST)	2,088,000,000
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FY 1981-82 (EST)	<u>1,911,291,000</u>
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REVENUE ABOVE 1982 BASE	176,709,000
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22666



# REVENUE GROWTH TRENDS

	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
AMOUNT	1,106	1,277	1,427	1,598	1,727(E)	1,911(E)	2,088(E)
% CHANGE	14.59	15.44	11.71	12.00	8.07(E)	10.65(E)	9.26(E)
NEW MONEY ABOVE BASE	140	171	150	171	129	184	177

EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

22667

# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## STATUTORY SPENDING LIMITATION PRELIMINARY ESTIMATE

\$ 1,911,291,000

1981-82 ESTIMATED EXPENDITURE

X 1.1197

PERSONAL INCOME GROWTH

\$ 2,140,073,000 (EST.)

1982-83 SPENDING LIMIT

THREE YEAR AVERAGE PERSONAL INCOME GROWTH FOR  
CALENDAR YEARS 1979, 1980 AND 1981.

SOURCE: S.C. DIV. OF RESEARCH & STATISTICS.

22668

# EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

## EXPENDITURE LIMITATION

EXPENDITURE LIMIT *	2.140 BILLION
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ANTICIPATED REVENUE, 1982-83	2.088 BILLION
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AVAILABLE REVENUE GROWTH WITHIN LIMIT	52 MILLION
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\* SOURCE: DIVISION OF RESEARCH AND STATISTICS

22669



27 TH BI-WEEKLY PAYROLL WILL OCCUR IN FY 82-83 UNLESS MODIFICATIONS

TO THE PAYROLL SCHEDULES ARE MADE, POTENTIAL ADDITIONAL APPROPRIATION

NECESSARY TO FUND THIS ADDITIONAL BI-WEEKLY PAYROLL IS APPROXIMATELY

\$ 2 6 , 0 8 8 , 0 0 0

EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

22670

THERE ARE 26 BI-WEEKLY PAYROLLS; EACH HAVING A 14 DAY PAY PERIOD

ONE CALENDAR YEAR = 365.25 DAYS

ONE PAY YEAR (26 x 14 DAYS) = 364 DAYS

1.25 DAYS

(LOST DUE TO PAYMENT METHOD EACH YEAR)

RESULT:

FISCAL ENDING DATE CHANGES AN AVERAGE OF 1.25 DAYS EACH  
YEAR. THUS, EVERY TEN YEARS A COMPLETE PAYROLL CYCLE  
IS ACCRUED.

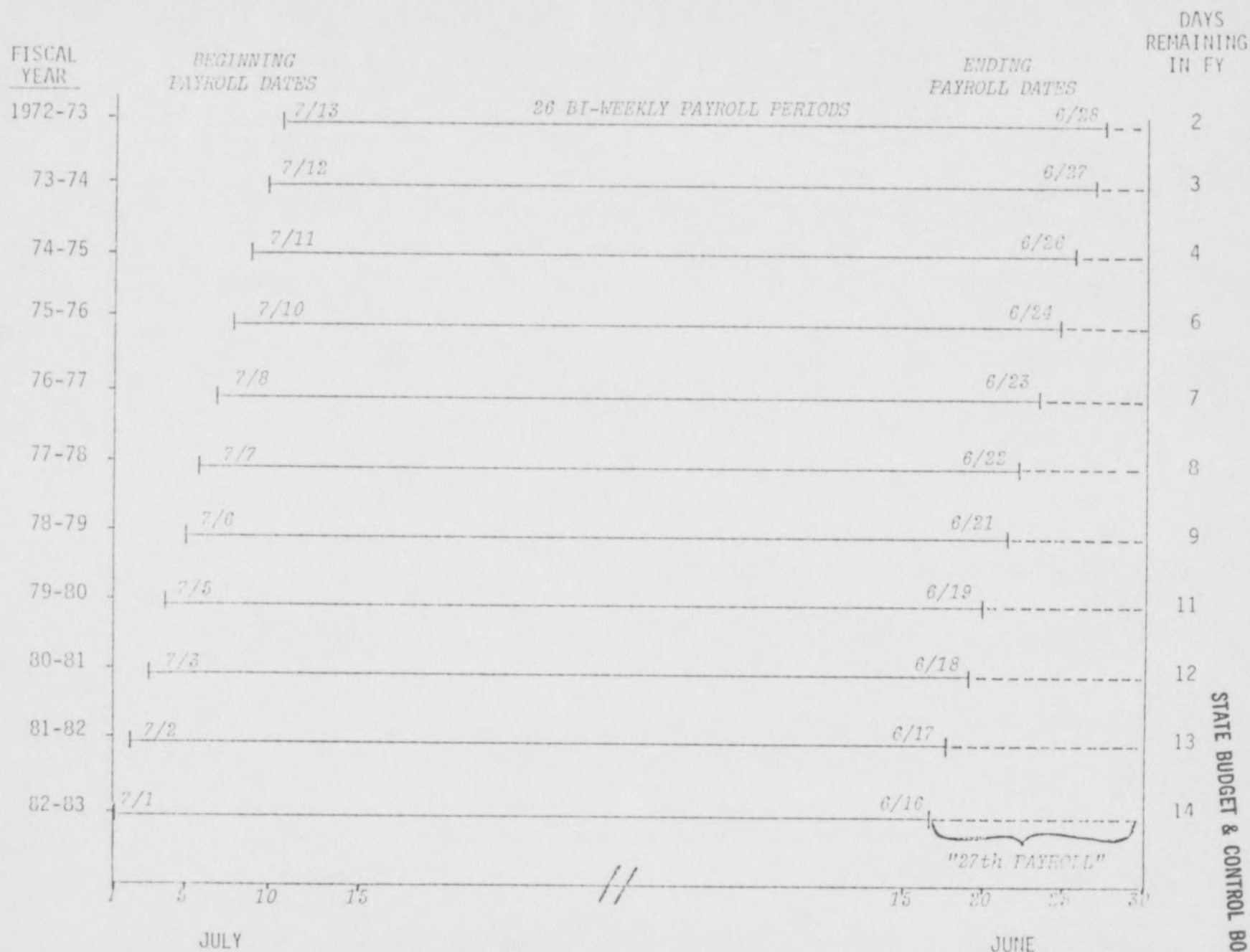
EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

22671

22672



STATE BUDGET & CONTROL BOARD

MAY 25 1981 NO. 13

EXHIBIT



AN EMPLOYEE BEING PAID \$ 26,000 ON JULY 1, 1982 WOULD BE TREATED  
EQUALLY UNDER A BI-WEEKLY OR SEMI-MONTHLY PAYROLL SYSTEM

BI-WEEKLY

1ST PAYROLL - JULY 1, 1982	\$ 1,000
27TH PAYROLL - JUNE 30, 1983	<u>1,000</u>
TOTAL PAYOUT - FY 82-83	\$ 27,000

SEMI-MONTHLY

1ST PAYROLL - JULY 1, 1982	\$ 1,083
24TH PAYROLL - JUNE 15, 1983	<u>1,083</u>
TOTAL PAYOUT - FY 82-83	\$ 26,000

NOTE:

THE EMPLOYEE PAID UNDER THE SEMI-MONTHLY SYSTEM  
EARNS \$ 26,000 BY JUNE 15, 1983. ON JUNE 30, 1983,  
HE HAS EARNED ANOTHER \$ 1,083 WHICH WILL BE PAID ON  
JULY 1, 1983

22673

EXHIBIT  
MAY 25 1981 NO. 13  
STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## STATEWIDE PRE-COMMITMENTS

FY 82-83

DEBT SERVICE	\$ 31,400,000
AID TO SUBDIVISIONS (80% LEVEL)	17,405,785
ANNUALIZATION OF FY 81-82 BASE PAY INCREASE	17,029,056
HEALTH INSURANCE PREMIUM INCREASE	4,674,000
EMPLOYER CONTRIBUTION RATE INCREASE	1,225,727
RESERVE FUND CONTRIBUTION	<u>9,213,000</u>
	<u><u>\$ 80,947,568</u></u>

22674

# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## AGENCY COMMITMENTS

FY 82-83

GENERAL ASSEMBLY RETIREMENT	\$ 51,421
JUDICIAL RETIREMENT	320,640
ANNUALIZATION OF COMPUTER OPERATIONS	
TECH ED/DEPT OF EDUCATION	227,219
EDUCATION FINANCE ACT	71,000,000
PUBLIC SCHOOL EMPLOYER CONTRIBUTIONS	11,750,000
EDUCATIONAL TELEVISION COMMISSION	940,000
MEDICAID	4,765,248
MENTAL HEALTH	6,500,000
MENTAL RETARDATION	1,435,000
CORRECTIONS	<u>2,920,000</u>
	\$ 99,909,528

22675



# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## OTHER STATEWIDE BUDGET ISSUES

FY 82-83

FY 82-83 BASE PAY INCREASE (7-3½)	\$ 67,726,000
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27 TH PAY PERIOD	26,088,000
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RENT INCREASES	2,000,000
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MILEAGE ALLOWANCE INCREASE	2,000,000
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TOTAL	<u>\$ 97,814,000</u>
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22676

# EXHIBIT

MAY 25 1981

NO. 13

## BUDGET PROJECTIONS

1982-83

STATE BUDGET & CONTROL BOARD

### REVENUE

1982-83 GENERAL FUND REVENUE \$ 2,088,000,000

LESS 1981-82 EXPENDITURES (EST.) 1,911,291,000

BALANCE..... 176,709,000

### PREDETERMINED NEEDS

STATEWIDE COMMITMENTS 80,947,568

AGENCY COMMITMENTS  
(STATUTORY OR POLICY MANDATE) 99,909,528

BALANCE..... (4,148,096)

OTHER MAJOR CONSIDERATIONS (BASE PAY INCREASE,  
27 TH PAYROLL, INFLATIONARY ADJUSTMENTS,  
ETC.)

97,814,000

POTENTIAL SHORTFALL.....\$ (101,962,096)

22677

# EXHIBIT

MAY 25 1981

NO. 13

STATE BUDGET & CONTROL BOARD

## SUMMARY

GENERAL FUND SHORTFALL (PRE-IDENTIFIED NEEDS)	102 MILLION
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FEDERAL FUNDS REDUCTIONS	208 MILLION
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UNDETERMINED AGENCY NEEDS	?
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CURRENT PROJECTION OF NEEDS ALREADY EXCEEDS EXPENDITURE  
LIMIT BY 50 MILLION.



# EXHIBIT

MAY 25 1981

NO. 13

## MAJOR BUDGETING OPTIONS

STATE BUDGET & CONTROL BOARD

INCREASE REVENUE

MAJOR ISSUE OPTIONS

REALLOCATION: BEING USED TO FUND HIGHER PRIORITY  
ITEMS WITHIN AGENCIES

ELIMINATE PROGRAMS OR AGENCIES

PERCENTAGE REDUCTIONS (TARGETED)

22679

## LEGISLATIVE INTENT

### SECTION 9, ACT 651 OF 1978:

THE BOARD SHALL REVISE 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.

### SECTION 8, PART II, ACT 199 OF 1979:

[THE BUDGET AND CONTROL BOARD SHALL REQUIRE ALL STATE AGENCIES] ...TO JUSTIFY THE ENTIRE AMOUNT OF MONEY THEY ARE REQUESTING. IT IS THE INTENT OF THIS SECTION THAT EACH STATE AGENCY, DEPARTMENT OR INSTITUTION SHALL BE REQUIRED TO JUSTIFY ITS RECURRING EXPENSES, AS WELL AS ANY NEW OR ADDITIONAL EXPENSES.

### SECTION 3, PART II, ACT 517 OF 1980:

SECTION 8 OF PART II OF ACT 199 OF 1979 IS AMENDED BY ADDING AT THE END:

"FOR THE PURPOSE OF JUSTIFICATION AS SET FORTH IN THIS PROVISION, THE BUDGET AND CONTROL BOARD SHALL REQUIRE EACH STATE AGENCY, DEPARTMENT AND INSTITUTION TO SUBMIT FOR EACH PROGRAM THE PURPOSES, OBJECTIVES AND SUCH QUANTITATIVE MEASUREMENTS REGARDING SERVICES PROVIDED AS THE BUDGET AND CONTROL BOARD IN CONSULTATION WITH THE JOINT LEGISLATIVE APPROPRIATIONS REVIEW COMMITTEE MIGHT DEEM NECESSARY FOR PROGRAM EVALUATION."

## LEGISLATIVE INTENT

### SECTION 162, PART I, 1981-82 HOUSE APPROPRIATIONS BILL:

...THE BUDGET AND CONTROL BOARD SHALL, PRIOR TO MAKING ITS ANNUAL RECOMMENDATIONS TO THE GENERAL ASSEMBLY OF THE AMOUNTS TO BE APPROPRIATED TO THE VARIOUS STATE AGENCIES, DEPARTMENTS AND INSTITUTIONS, REQUIRE EACH STATE AGENCY, DEPARTMENT AND INSTITUTION TO SUBMIT A DETAILED ANALYSIS BY BUDGET CLASSIFICATION OF THE FUNDS REQUIRED FOR BOTH ITS RECURRING EXPENSES AND ANTICIPATED ADDITIONAL EXPENSES. SUCH BUDGET CLASSIFICATION SHALL INCLUDE, BUT NOT BE LIMITED TO, PERSONAL SERVICES, CONTRACTUAL SERVICES, SUPPLIES, FIXED CHARGES AND CONTRIBUTIONS, EQUIPMENT, TRAVEL, PERMANENT IMPROVEMENTS AND ANY SPECIAL ITEMS AS APPEAR IN THE BUDGET FORMAT. IT IS THE INTENT OF THIS SECTION THAT EACH STATE AGENCY, DEPARTMENT OR INSTITUTION SHALL BE REQUIRED TO JUSTIFY IN ENTIRETY ITS RECURRING EXPENSES, AS WELL AS ANY NEW OR ADDITIONAL EXPENSES.

EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

22681



(BACK UP DETAIL)

# EXHIBIT

MAY 25 1981 NO. 13

## REVENUE GROWTH TRENDS

STATE BUDGET & CONTROL BOARD

1. GROWTH RATE IS DECLINING.
2. 1981 COLLECTIONS MAY FALL SHORT OF ESTIMATE.
3. DOLLAR AMOUNT OF NEW MONEY IS NOT EXPANDING,  
EVEN BEFORE ALLOWING FOR INFLATION. BUT BUDGET  
COMMITMENTS ARE GROWING BECAUSE OF INFLATION.  
IMPLICATION: INTENSIFIED PRESSURE ON REVENUE
4. WILL BE COMPOUNDED BY FEDERAL FUNDS LOSSES WHEN  
WE CONSIDER TOTAL REVENUE PICTURE.

1. SIZE OF GAP BETWEEN ESTIMATED REVENUE AND SPENDING LIMIT WILL DEPEND ON DIFFERENCE BETWEEN 3-YEAR MOVING AVERAGE CHANGE IN PERSONAL INCOME AND THE REVENUE GROWTH RATE.

FOR 1981-82, THIS WAS 1.25. THE DIFFERENCE FOR 1982-83 INCREASES TO 2.71 BECAUSE OF A LOWER GROWTH RATE FOR REVENUE (9.26 vs. 10.65 FOR FY 82). THIS ACCOUNTS FOR THE INCREASE IN THE GAP BETWEEN ESTIMATED REVENUE AND EXPENDITURE LIMIT.

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	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>
% INCREASE (PERSONAL INCOME)	10.9	12.7	12.5	11.6	12.0	11.8
3-YR MOVING AVERAGE	-	-	12.0	12.3	11.97	11.8

# EXHIBIT

MAY 25 1981 NO. 13

STATE BUDGET & CONTROL BOARD

(BACK-UP DETAIL)

## AID TO SUBDIVISIONS OPTIONS \*

	<u>TOTAL REQUIRED</u>	<u>ADDITIONAL ABOVE 81-82</u>
COMPLETE REMOVAL OF FREEZE	148,343,000	32,921,189
MAINTAIN 70% REMOVAL (AS PER HOUSE)	126,569,893	11,148,082
LIFT FREEZE TO 80% LEVEL	132,827,596	17,405,785

\* ALL AMOUNTS INCLUDE \$15.4 MILLION FOR HOMESTEAD EXEMPTION.

MAINTAIN CURRENT LEVEL (60% REMOVAL)---120,312,193.

IN REFERRING TO AID TO SUBDIVISIONS BE SURE TO MENTION HOMESTEAD  
EXEMPTION AS PART OF THE CATEGORY.



(BACK-UP DETAIL)

## STATEWIDE COMMITMENTS

1. DEBT SERVICE -- REMEMBER THAT SOME INSTITUTIONAL BONDS ARE EXCLUDED FROM FORMULA FOR DEBT SERVICE CEILING CALCULATION. TIMING OF INTRODUCTION OF NEW AUTHORIZED DEBT WILL KEEP THE AMOUNT BELOW THE CONSTITUTIONAL LIMIT.
2. AID TO SUBDIVISIONS -- SEE OVERHEAD FOR DETAIL ON OPTIONS.
3. ANNUALIZATION -- BASED ON HOUSE BILL FOR 1981-82 (7-3½)
4. HEALTH INSURANCE PREMIUM INCREASE -- \$116.85 PER EMPLOYEE/ CALCULATION BASED ON 40,000 COVERED EMPLOYEES.
5. EMPLOYER CONTRIBUTIONS RATE INCREASE -- MOSTLY FOR SOCIAL SECURITY (INCREASE IN CEILINGS).
6. RESERVE FUND -- 5% OF INCREASE OF LAST COMPLETED YEAR ABOVE PRIOR YEAR.

# AGENCY COMMITMENTS

1. EDUCATION FINANCE ACT--5TH YEAR OF PHASE-IN. WHERE DO WE GO FROM HERE.
2. PUBLIC SCHOOL EMPLOYER CONTRIBUTIONS--WHAT IS THE APPROPRIATE METHODOLOGY FOR THE CAP? HOW WILL WE ADMINISTER IT? POLICY DEFINITION NEEDED IN THIS AREA.
3. ETV--CLOSED CIRCUIT CHARGES 675,000  
ANNUALIZE CONWAY, SPARTANBURG 265,000
4. MEDICAID--TO PROVIDE MATCHING FUNDS TO ENABLE MEDICAID PROGRAM TO ACHIEVE MAXIMUM FUNDING
5. MENTAL HEALTH--PAYING PATIENTS ACCOUNT; RESTORE TO STATE FUNDING, IF APPLICABLE.
6. MENTAL RETARDATION DEPARTMENT  
ANNUALIZE OPERATING COSTS OF BUILDINGS PARTIALLY FUNDED IN 81-82 500,000  
MATCHING FUNDS, OPERATING COSTS, NEW COMMUNITY RESIDENCES (APPROX. 8 MOS.) 375,000  
MATCHING FUNDS, OPERATING COSTS, OTHER INSTITUTIONS (APPROX. 3 MOS.) 560,000
7. DEPARTMENT OF CORRECTIONS  
ANNUALIZE COASTAL AND COL. PRE-RELEASE FROM 81-82 (OPERATING FUNDS) 920,000  
NEW FACILITIES OPERATING FUNDS AT W.C.I. & CROSS-ANCHOR MINIMUM SECURITY (APPROX. 6 MOS. AVE.) 2,000,000
8. NEW P.P.& P. BOARD "COMMUNITY SERVICES ACT" 100,000

(BACK UP DETAIL)

SLIDE #12

OTHER STATEWIDE BUDGET ISSUES

1. BASE PAY INCREASE - ROUGH ESTIMATE. 7-3½ PACKAGE.
2. INFLATIONARY ADJUSTMENTS - GROWING EVIDENCE THAT SIGNIFICANT EROSION HAS OCCURRED AND IS STILL OCCURRING IN OPERATING BUDGETS. MANY AGENCIES EXPEND MAJOR CONTINUING ACCOUNTS (TRAVEL, TELEPHONE, POSTAGE, ETC.) LONG BEFORE FISCAL YEAR ENDS.
3. RENT GENERAL SERVICES HAS AN APPROVAL FOR A RENTAL INCREASE OF \$1 (SQ FT AND ANOTHER 30¢ PER SQ FT UNDER CONSIDERATION BY THE SENATE. POTENTIAL IMPACT IS \$2,000,000.
4. MILEAGE ALLOWANCE HAS INCREASED FROM 20¢ TO 23¢ PER MILE. POTENTIAL IMPACT BASED ON THE SAME NUMBER OF MILES DRIVEN FOR FY 82-83.

22687

6.



(BACK UP DETAIL)

SLIDE #14

BASE COMMITMENT	\$1.911 BILLION
ADDITIONAL IDENT NEEDS	<u>.279</u> BILLION
TOTAL NEEDS	\$2.190
SPENDING LIMIT	- <u>2.140</u>
UNFUNDED NEED	\$ 50 MILLION

LEGISLATIVE INTENT

THE LEGISLATURE HAS REPEATEDLY CALLED FOR DETAILED BUDGET ANALYSIS AND JUSTIFICATION IN 4 CONSECUTIVE SESSIONS. CURRENTLY THE HOUSE BILL REITERATES LEGISLATIVE INTENT POINTEDLY.

INTENT CLEARLY POINTS IN THE DIRECTION OF ZERO BASE BUDGETING SYSTEM, AND INDICATIONS FROM HOUSE MEMBERS CLEARLY CALL FOR A MOVE IN THIS DIRECTION, EITHER ON A PHASED IN BASIS OR IN TOTO. WE HAVE NEVER BEEN ABLE TO MEET THE REQUIREMENTS SPECIFIED IN EARLIER PROVISIONS BECAUSE OF INADEQUATE MANPOWER RESOURCES TO CARRY OUT THE LEVEL OF DETAILED ANALYSIS REQUESTED. TO CONVERT TO A FULL-BLOWN ZBB SYSTEM OR TO PROVIDE FULL ANALYSIS FOR THE CURRENT PROGRAM BUDGETING SYSTEM WOULD REQUIRE ADDITIONAL STAFF.

REFER TO ZBB PROPOSAL FOR ADDITIONAL MANPOWER AND OTHER RESOURCE NEEDS.

(BACK UP DETAIL)

FOR EXTRA SLIDE ON NEW AUTHORIZED POSITIONS

STATUTORY LIMITATIONS ON EMPLOYEES

1980 CENSUS	3,119,208
ANTICIPATED GROWTH RATES*	
1980-81	2%
1981-82	1.9%
PROJECTED 4/82 POPULATION	3,242,042
1980 EMPLOYEE BASE FOR STATUTORY LIMIT	FTE STATE - 38,184
	FTE TOTAL - 62,308
LIMIT FACTORS	FTE STATE - .0122415690136
	FTE TOTAL - .0199755835455
LIMIT	FTE STATE - 39,688
	FTE TOTAL - 64,762

\* ADJUSTED UPWARD FROM 1.54% TO ACCOMMODATE HIGHER GROWTH RATES AS EVIDENCED BY 1980 CENSUS DATA (187,000 ABOVE PROJECTIONS USING 1.54% RATE)



(BACK UP) FOR EXTRA SLIDE

STATUTORY LIMITATION ON EMPLOYEES

PRELIMINARY ESTIMATE

	<u>FTE STATE</u>	<u>FTE TOTAL</u>
ESTABLISHED POSITIONS 5/19/81	37,317	39,152
NOT ESTABLISHED AS OF 5/19/81	1,069	1,659
LEGISLATIVE POSITIONS 5/19/81	684	687
NEW POSITIONS PER 1981-82 HOUSE VERSION*	<u>530</u>	<u>582</u>
TOTAL AUTHORIZED THROUGH 6/30/82	39,600	62,080**

\* MAY INCLUDE SOME POSITIONS COUNTED IN "NOT ESTABLISHED"  
(ESTIMATED MAXIMUM OF 200)

\*\* FTE TOTAL HAS DECLINED BY 228 DURING LAST FISCAL YEAR

22691

### INTRODUCTION

This document is designed to provide an overview of state governmental activities and functions for use in developing general criteria to guide the FY 1982-83 State Budget development process. The report is structured around eight major functional areas of governmental concern: public safety, education, health, welfare, economic development, regulation, transportation and administration. Each of these areas is presented as a broad goal statement and further subdivided into more specific state objectives. No priority order has been suggested for any of the goals or objectives.

For each of the objectives a brief statement of the "state of the State" has been prepared. Wherever possible, comparisons between South Carolina and the Southeast or the nation are made to give a general overview of how South Carolina compares with its counterparts elsewhere. While the indicators chosen are perceived as adequately measuring important issues or trends, they are not comprehensive. Further study would be necessary for a complete assessment of each area. However, the indicators can provide a good general reference for comparative purposes and a basis for overall budget policy for FY 1982-83.

## STATE GOALS AND OBJECTIVES

### 1. TO PROVIDE A SYSTEM WHICH ASSURES THE PUBLIC SAFETY AND LEGAL RIGHTS OF THE PEOPLE.

- a. To provide for adequate crime detection, investigation, apprehension, and deterrence.

*South Carolina ranks twenty-first in the nation for major crimes committed. Although the number of major crimes committed in South Carolina per 100,000 population is less than the national average, increases in crime in South Carolina are apparent.*

#### CRIME INDEX - SOUTH CAROLINA

<u>OFFENSE</u>	<u>1978</u>	<u>1979</u>	<u>% CHANGE</u>
Murder	337	368	+9.2
Rape	1,026	1,002	-2.3
Robbery	2,934	3,134	+6.8
Aggravated Assault	14,179	15,273	+7.7
Larceny	71,829	75,298	+4.8
Motor Vehicle Theft	7,991	8,643	+8.2
State Total (includes other crimes)	141,652	147,611	+4.2

*In comparison to the U. S. and the South for the period of 1979 to 1980, South Carolina exhibits an increase in the overall crime trend.*

#### PERCENT CHANGE FROM 1979 TO 1980

	<u>Violent</u>	<u>Property</u>	<u>Total Index</u>
South Carolina	+ 2	+14	+12
South	+13	+11	+11
United States	+13	+ 9	+10

- b. To assure the uniform application of the laws of the state.

*South Carolina has instituted two programs to assure that the laws of the state are applied uniformly. An office of the Board of Commissioners on Judicial Standards was established for the purpose of accepting complaints against South Carolina judges and to make necessary inquiry to determine if a judge has violated the Code of Judicial Conduct or has acquired any physical or mental disability of a permanent nature which might effect his ability to act as a judge. No comparative data from other states is available on this subject.*

*The second program is designed to assure that appropriate punishments are being given to convicted criminals. South Carolina has formed the Sentencing Guideline Committee. This committee is currently working toward the establishment of sentencing guide lines that could result in more uniform punishment for similar crimes.*

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- c. To provide for the appropriate punishment, confinement, and rehabilitation of convicted criminals.

*South Carolina diverts from the juvenile justice system 15% fewer juveniles than the national average. This appears to be partly responsible for the higher percentage (5% above the national average) for juvenile incarcerations. In the Southeast, South Carolina institutionalizes more children per 1,000 population than any other state.*

PERCENT DIVERTED AND PROCESSED THROUGH COURT

<u>National</u>		<u>South Carolina</u>	
<u>Diverted</u>	<u>Processed</u>	<u>Diverted</u>	<u>Processed</u>
50.2	49.8	35.7	64.3

COURT DISPOSITIONS

	<u>National</u>	<u>South Carolina</u>
Waived to Adult	.8	.1
Dismissed	47.2	11.9
Probation	32.9	46.8
Instruction	3.6	8.8
Other	15.5	32.4

*According to 1978 figures (the most recent available), South Carolina ranks third in rate per 100,000 of juveniles institutionalized among eight states where the maximum age of original jurisdiction for the juvenile court is sixteen. The following factors appear to be significant in affecting the rate of incarceration in South Carolina.*

- \* *The Governor's Committee on Crime and Delinquency Standard Ratio of one juvenile counselor per thirty clients on probation/parole.  
South Carolina's ratio = 1:50*
- \* *Ratio of one juvenile counselor per 300 referrals to court.  
South Carolina's ratio = 1:474*
- \* *South Carolina's FY 1980 average state adult incarcerated population of 7,869 ranked eleventh in the nation whereas its general population ranked twenty-fifth.*
- \* *The State's incarceration rate of 285 per 100,000 inhabitants ranks first in the nation, and is more than double the national average of 131.*
- \* *In FY 1979, South Carolina's state adult correctional facilities were housing inmates at 46.8% above capacity. This was the second highest overcrowding rate in the Southeast. (Six states in the Southeast were not at full capacity.)*

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- \* *South Carolina's FY 1979 cost per inmate of \$5,488 was 46.7% of the national average of \$11,753 and ranked third lowest among 34 reporting states.*
- \* *Probation and parole agents have an average caseload of 180 clients compared to national standards of between 35 to 75 cases dependent on type of case.*

- d. To maintain civil order and protect the public in times of disaster.

*The National Guard in South Carolina has been rated in the top 5% nationwide for the past three years. The Army Guard exceeds its authorized strength and the Air Guard will soon reach full strength. An emergency preparedness plan is developed for the State and is rated as one of the best in the Southeast. However, emergency communications plans are barely adequate due to the age and nature of the equipment. Other contingent plans in operation include nuclear accident plans. These plans are in place and are currently being revised as conditions warrant.*

- 2. TO PROVIDE A SYSTEM OF PUBLICLY SUPPORTED EDUCATION WHICH IMPARTS KNOWLEDGE AND SKILLS TO MAXIMIZE THE INDIVIDUAL'S POTENTIAL TO PARTICIPATE EFFECTIVELY IN SOCIETY.

- a. To provide for the maintenance and support of a system of free public preschool, elementary, and secondary schools open to all children of the state.

*During the past decade South Carolina has continued to make progress in elementary and secondary education, but improvements still remain to be made. In growth of expenditures per pupil, the state has lagged only slightly behind the national average (178% vs 170% for the 1970's). Mean SAT scores remain below southeastern and national averages, but in general the state has not suffered the decline in scores that has been experienced nationally (10 points in South Carolina vs 58 points for the nation). Pupil-teacher ratio in South Carolina has declined (22.14 to 20.02) but has not kept pace with southeastern or national trends (21.93 to 18.23 and 21.10 to 17.59 respectively). Average annual salary for teachers has held its own against both southeastern and national trends, actually gaining 1.5% against the national average during the 1970's.*

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*The state operates the most comprehensive educational telecommunication system in the nation. Its ETV System delivers more services at more efficient cost than any other state system (368 hours of instruction per week vs an average of 35 hours per week for all other state networks). But the state's financial commitment to its telecommunications facilities is relatively low, falling more than \$1.5 million below the average for 25 states' total expenditure in FY 1978, the most recent full year for which comparable data are available.*

- b. To provide a system of postsecondary education adequate to the needs of the citizenry.

*The 1970's was a period of dramatic growth and expansion for the state's higher education system, with total enrollments growing from 42,316 to 69,063 and the number of public senior colleges and universities increasing from 6 to 12. Much of the growth was concentrated in the technical education system, which showed a 191.8% increase in students from 12,251 to 35,573. During the 1980's growth is expected to stabilize, with enrollments increasing only slightly through 1985 and then undergoing a small decline. The trend indicates that South Carolina is generally succeeding in making postsecondary opportunities available to its citizens. However, funding has not kept pace if the impact of inflation is taken into account. Funding per FTE student was \$3,062 in 1980-81 (in constant 1971-72 dollars), an amount roughly equivalent to the 1971-72 level but more than \$500 below the 1974-75 funding level of \$3,584. Additionally, the public colleges and universities have been required to fund approximately 20% of the costs of salary and fringe benefit adjustments through non-state sources. This has meant that charges to students have had to be increased at a rapid rate, pushing South Carolina's tuitions and fees to a level not exceeded by any other southeastern state.*

*The decline in constant dollar funding for postsecondary education has had a negative impact on operating budgets. Research and instructional equipment have become obsolete in many cases, and faculty salaries in some fields are now no longer competitive. Even so, users of our public educational institutions must pay tuition and fees above average. The challenge today is to find ways of providing adequate financial support for public higher education in South Carolina without imposing excessive burdens on our citizens.*



- c. To enhance awareness and appreciation of the arts and sciences and of state and national historical traditions.

*Only limited comparative data are available concerning South Carolina's relative position in the arts. General data seem to support the conclusion that the state can be proud of some notable achievements but still must make major strides to reach a par with neighboring states. To cite a few basic examples, the State's Department of Archives and History has repeatedly demonstrated its leadership on the national level, but the state has continued to underfund the agency to such an extent that completion of major projects must be delayed indefinitely. Although the state boasts of the most ambitious archival publication program in the nation, South Carolina is the only one of the original 13 states which has not published its basic legislative records. Similarly, the state is one of only seven in the nation which have not established state museums, and currently accreditation for the State's Confederate Relic Room and Museum may be in jeopardy because of inadequate funding. Arts programs in the state, which have received large amounts of federal funding in recent years, are also in jeopardy because of currently planned reductions in federal funding; but the state's "Spoleto Festival" is now recognized as the nation's most outstanding and most comprehensive arts festival.*

*The ability of the state to maintain its relative position in these areas will depend largely on developing ways and means to improve and maintain financial support for the related agencies.*

3. TO PROVIDE FOR THE MAINTENANCE AND ENHANCEMENT OF ADEQUATE LEVELS OF PUBLIC HEALTH IN THE STATE AND TO CONTROL, PREVENT, AND ABATE THE POLLUTION OF THE STATE'S AIR, WATER, AND SOIL.

- a. To prevent and suppress the spread of communicable and epidemic disease and to protect and minimize the contamination of the state's natural resources.

*Data comparisons relating to the control of communicable diseases indicate that South Carolina is experiencing a relatively higher incidence of communicable diseases than other southeastern states and the nation as a whole. Comparative statistics for the number of cases of several diseases show that South Carolina equals or exceeds the national average rate for three of four diseases identified.*

*The quality of natural resources found in South Carolina compares favorably to the southeastern states. In general and in comparison with other states in this region, the quality of these resources is excellent. However, both economic growth and population growth pose a potential threat to this situation. In light of these growth trends, the reduction in federal funds, the effects of inflation on*

purchasing power, and the increased complexity of pollutants, South Carolina faces the distinct danger of concurrently becoming an environmentally poor area. Other states in the industrial Northeast as well as California experienced similar growth trends in the past. Many of these states did not intensify their environmental control functions and the result has been that their environments eventually suffered.

- b. To provide services for the mentally ill citizens of the state so as to enhance their opportunities for living normal and useful lives.

South Carolina has one of the highest rates for institutionalization for mental health patients in the nation but the state is spending less per capita for mental health services than other southeastern states. The average per capita expenditure for North Carolina, Georgia and South Carolina is \$33.60, \$31.90 and \$25.90 respectively. This difference in spending is especially apparent when examining the per capita cost for community services. South Carolina's spending effort for community mental health services is well below other southeastern states. The result of this lack of spending for community mental health services is that more persons remain institutionalized at state facilities.

	<u>N.C.</u>	<u>GA.</u>	<u>S.C.</u>
Per Capita Cost for Psychiatric Hospitals	\$17.40	\$21.70	\$19.20
Per Capita Cost for Community Services	16.20	10.20	6.70
Per Capita Cost for Mental Health Services	\$33.60	\$31.90	\$25.90

This fact is further evidenced when comparing the number of residents in state mental health facilities on a daily basis. South Carolina has a greater proportion of its residents in mental health facilities than other states even though the admission rate for South Carolina residents is lower.

	<u>N.C.</u>	<u>GA.</u>	<u>S.C.</u>
Admission rate/10,000 pop.	25	42	19
Residents rate/10,000 pop.	5.5	5.2	10.4

- c. To provide services for the mentally retarded/developmentally disabled citizens of the state so as to enhance their opportunities for living normal and useful lives.

Services for the mentally retarded and developmentally disabled citizens are not adequate to meet the needs of the known population. Additionally, funding for preventive types of services provides for only a fraction of the population requiring these services. Cost estimates to the state taxpayers for the care of severely mentally retarded persons exceeds \$730,000 per person over a life time. An argument could be made that it would be cost effective for South Carolina to invest more monies toward the prevention of mental disorders.

- d. To provide financial support and diagnostic services to victims of disease as appropriate.

*Several key indicators of the relative health of South Carolina's population show that more effort is required. South Carolina experiences a higher infant mortality rate than the U. S. as a whole, and the life expectancy for South Carolina citizens is substantially less than the national life expectancy. When compared to the southeastern region, South Carolina has the lowest life expectancy of any state. The funds allocated for financial support and diagnostic services for citizens has increased substantially. South Carolina's investment in medicaid services as a percent of the total state budget has increased threefold during the 10-year period beginning in 1970.*

#### 4. TO PROMOTE THE INDEPENDENCE AND WELL-BEING OF INDIVIDUALS AND FAMILIES.

- a. To provide temporary assistance and services to individuals and families in a manner which enables them to reach self sufficiency.

*South Carolina ranks 47th in the level of AFDC payments to a family of four. The state pays such a family a maximum of \$158 per month. The national average is \$362 and the southeastern average (less S. C.) is \$215. Vocational rehabilitation activity appears very successful in South Carolina. The state ranks at or near the top in the nation on the four major indicators used to measure relative effectiveness and efficiency of vocational rehabilitation programs. Per capita personal income in South Carolina is 80% of the national average.*

- b. To provide continuing assistance and services to individuals and families which are unable to lead independent lives.

*The elderly population is the largest group in this category. Based on 1980 census projections, 409,303 persons over 60 years of age reside in the state, which is an increase of 42.9% over the 1970 figure. The most rapid growth rate has been in the 75+ age group. The impact of this trend on long term medical care, nutritional services, transportation and other related services will be significant.*

- c. To protect abused, neglected or abandoned persons who are unable to protect themselves.

*South Carolina serves approximately 4,000 children annually in foster homes. Monthly foster care board payments are \$115 for ages 0-5, \$130 for ages 6-12, and \$150 for ages 13+. These rates appear to be reasonably comparable to those paid in the Southeast and superior to Georgia and North Carolina. The rate of reported abuse and neglect has increased steadily over the past several years, but this is a result of improved reporting systems and changing public attitudes. Pilot projects for the "battered spouse" are operating in Greenville and proposed for Columbia and Charleston.*

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5. TO PROMOTE THE ECONOMIC DEVELOPMENT OF THE STATE AT AN OPTIMAL LONG-TERM RATE CONSISTENT WITH THE NEEDS OF THE CITIZENRY.

- a. To protect and conserve the natural resources of the state in a manner which assures preservation and enhancement of those resources for the future.

*In general and in comparison with other states in the region, the quality of South Carolina's natural resources is excellent. Consumptive water usage between 1955 and 1980 increased approximately 600%, perhaps the greatest rate of increase in the nation. Projections indicate usage should continue to surpass the national average during the next 20 years. The state's ability to manage its waters effectively is essential. The protection of scenic rivers in South Carolina is inadequate. South Carolina has one of the least effective established programs in the nation with only five miles of one river included in this protection program.*

South Carolina	1 river	5 miles protected
Tennessee	11 rivers	360 miles protected
Kentucky	8 rivers	108 miles protected
Ohio	9 rivers	460 miles protected
Maryland	9 rivers	442 miles protected

- b. To provide for development and utilization of the state's resources in a manner which stimulates or maintains optimal economic growth and development.

*Tourism in 1980 was the second largest industry in the state. Tourist expenditures were \$2.2 billion, an increase over 1979 of 21.3%. Nationally tourist expenditures declined 3% in 1980. According to a 1979 survey, fishing is the number one favorite recreational activity in South Carolina while hunting ranks ninth. Approximately 8 million fish are reared and stocked by State Wildlife personnel. This ranks fourth in the Southeast. Over \$250 million is spent annually in South Carolina for hunting, fishing and wildlife enjoyment. Dollar value of the commercial fishing industry during 1980 was \$21 million. Commercial fishing in South Carolina ranks third in the South Atlantic Region.*

*Sixty-five percent of South Carolina's 19.3 million acres of land is forested. The forest products industry is the state's third largest manufacturing industry. Net annual growth in forest products increased in the past 10 years from an average of 53 cubic feet per acre per year in 1968 to 77 cubic feet in 1978. This growth rate is the highest in the Southeast. The potential exists to increase forest growth by 24%. This increase could provide 7,000 additional jobs, \$80 million in additional wages each year and a \$450 million annual increase to the state's economy. Of prime concern to South Carolina is the future development of national and international trade in soybeans, tobacco, cattle, livestock, etc. South Carolina*

is actively engaged in the efforts of various trade groups. During the period between 1976 and 1979 net output per man-hour on South Carolina farms increased at a substantially higher rate than North Carolina and Georgia, while net farm income was lower. However, net income per farm in South Carolina is increasing faster in this state than in adjoining states.

Between 1976-80, South Carolina was slightly below the southeastern average in total capital investment by new and expanded manufacturing plants in the Southeast. However, when capital investment is adjusted by state population, South Carolina ranks second in the Southeast. South Carolina ranked fourth among the nine southeastern states in the percent of increase in the average manufacturing hourly wage between 1976 and 1980. South Carolina is seventh in per capita income. Per capita income increased at less than the southeastern average for the period studied. The number of new or expanding companies for which the state has initiated training has increased by 104% from 1976 until 1980. In the Special Schools program there was a 35% increase in trainees from 1976 to 1980. In the past four years the smallest annual increase in demand by companies was 18%. This growth trend will probably continue.

6. TO REGULATE ECONOMIC ACTIVITY IN THE STATE TO ASSURE THE SAFE-GUARDING OF THE PUBLIC INTEREST.

- a. To assure that standards are established and maintained among practitioners of regulated professions in a manner which meets the public needs.

*South Carolina maintains standards among regulated professions through the operation of numerous (29) boards and commissions. Each board or commission specializes in the maintenance of professional standards among practitioners of professions peculiar to that board. Several other states have chosen to amalgamate these regulatory functions under a single board. This may warrant further study.*

- b. To provide for the appropriate regulation of business and industrial activity in the interest of the public.

*South Carolina provides appropriate regulation of business and industrial activity in the public interest. A limited amount of comparative data is available for this function as compared to the Southeast or the United States. One area where comparative data are available relates to consumer affairs. South Carolina is the only state in the Southeast with a uniform credit code. Additionally the South Carolina consumer advocacy program has the broadest responsibility of any state with such a program. It should be noted that South Carolina is spending approximately one-half the amount other states are spending for the consumer advocacy function.*

Enforcement of the South Carolina occupational safety and health act has resulted in a decline in the rate of occupational injuries and illnesses. South Carolina's incidence rate for occupational injuries and illnesses is 7.2 injuries and illnesses per 100 full-time workers. This rate compares favorably to the national incidence rate of 9.5. Other services performed for South Carolina citizens included ensuring fair employment standards and the resolution of labor/management disputes.

7. TO PROVIDE A SYSTEM OF PUBLIC TRANSPORTATION FACILITIES WHICH AFFORD THE MEANS FOR ADEQUATE AND SAFE TRANSPORTATION OF PEOPLE AND GOODS WITHIN THE STATE.

a. To construct transportation facilities.

South Carolina's 1979 expenditure of \$4,072 per mile of highway for construction ranked the lowest in the nation. The national average was \$16,497 per mile of highway. South Carolina ranks 32nd in the percent of interstate mileage open to traffic. In terms of interstate mileage open to traffic the state is 1.5% behind the national average.

b. To maintain transportation facilities.

South Carolina ranks fifth in the nation as to the number of miles of highway that are maintained. South Carolina maintains a total of 39,377 miles of highway as compared to the national average of 15,682 miles per state. South Carolina's expenditure for highway maintenance is less than half of the national average spent for maintenance. The amount spent for highway maintenance in South Carolina and for the nation is \$1,900 and \$5,000 respectively. Only one other state spends less for highway maintenance than South Carolina.

c. To assure the safe utilization of all transportation facilities.

During 1980, South Carolina experienced a mileage death rate of 3.8 compared to the national average of 3.5; however, South Carolina's rate is about average for the southeastern region of the U. S., with three regional states having a slightly lower rate. (Mileage death rate is the number of persons killed on the highway per 100 million miles of motor vehicular travel).

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## 8. TO ASSURE THE EFFICIENT AND EFFECTIVE ADMINISTRATION OF STATE GOVERNMENT.

- a. To assure effective planning, programming and budgeting of state resources.

*Recent comparative analysis of South Carolina's Planning/Budgeting function reveals that most other southeastern states emphasize this function to a greater degree than does South Carolina. The dollar amount of budget responsibility per budget planner in South Carolina is 2 to 4 times larger than other southeastern budget/planning staffs. A recent analysis of South Carolina's budget/planning function by an outside consulting firm was complimentary of the recent efforts but suggested that this area be expanded to meet legislative intent and an increasingly complex budgeting situation.*

- b. To insure accountability in the expenditure of public funds.

*A revision of South Carolina's accounting system has been partially completed and parallel tested. Implementation of the major aspects of this new accounting system is scheduled for July 1, 1981. Capabilities of the new system to ensure accountability in the expenditure of public funds will be enhanced through the new accounting system.*

- c. To insure effective financial and revenue administration.

*South Carolina's revenue administration position relative to the other southeastern states is generally one of being in the middle. Comparative analysis of major revenue indicators shows that South Carolina is taxing its citizens and industry at a rate that is less than 5 other southeastern states. The state and local tax burden in South Carolina per \$1,000 of personal income is \$110.92. The South Carolina tax burden is greater than the tax burden applied in 6 other southeastern states. The tax burden ranged from a low of \$101.77 in Arkansas to \$122.52 in Louisiana.*

- d. To provide various central administrative and support services.

*South Carolina's central administrative and support units are providing the services required by various state agencies and institutions. These services include but are not limited to property insurance, central purchasing and supply, data processing services and personnel administration. These services are compatible with those services provided by other southeastern states with the exception of the South Carolina insurance program. No other southeastern state addresses all the lines of insurance carried by the insurance reserve fund. South Carolina's insurance reserve fund as an entity is the largest insurance company in the southeastern United States either public or private, currently having some \$8 billion of premiums in force.*

- e. To promote and maintain an effective state work force.

*A major indicator of the status of South Carolina's efforts to promote and maintain an effective state work force is pay increases granted to employees. South Carolina's state work force remains marginally competitive with other southeastern states. During FY 1980-81, South Carolina state employees received the lowest general increase and the lowest average merit increase for the 13 southeastern states. The projected increases (both general and merit increases) for FY 1981-82 for the 13 southeastern states include average general increases of 8.57% and average merit increases of 4.62%. The current South Carolina proposal of a 7% general increase and a 3.5% average merit increase is the lowest projected general and merit increase for the 13 southeastern states. Increases in the Consumer Price Index (CPI) has exceeded South Carolina's general increases from 1979 to the present. The projected increase in the CPI for 1982 and 1983 are 8.9% and 9.3% respectively.*